

2006 COUNTY OF BEAVER, PENNSYLVANIA

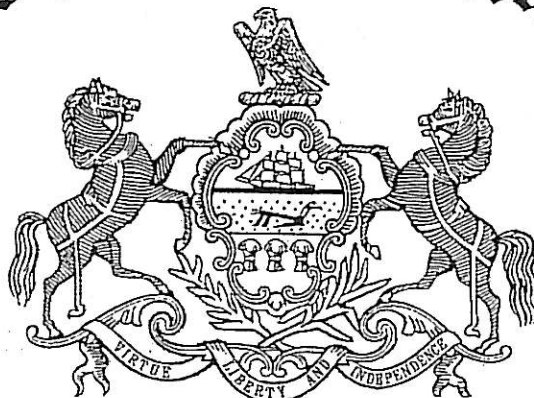
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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2006

Beaver County



Office of Controller

PREPARED BY RICHARD W. TOWCIMAK, CONTROLLER





**County of Beaver, Pennsylvania**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended December 31, 2006**

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RICHARD W. TOWCIMAK  
CONTROLLER



VINCENT LaVALLE  
DEPUTY CONTROLLER  
ROBERT LEWIS, JR.  
SOLICITOR

BEAVER COUNTY COURTHOUSE  
THIRD STREET - BEAVER, PENNSYLVANIA 15009-2196  
TELEPHONE: Area Code 724-728-5700

June 26, 2007

## TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the Comprehensive Annual Financial Report ("CAFR") for Beaver County ("the County") for the 2006 fiscal year.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles ("GAAP"). Since the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR consists of three major parts: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section includes this transmittal letter which emphasizes significant management and financial details, the Certificate of Achievement for Financial Reporting awarded by the Government Finance Officers Association for the 2005 CAFR, an organizational chart, and a listing of principal officials and department managers. The Financial Section includes, under Governmental Accounting Standards Board Statement No. 34, as amended, the report of our independent auditors, Management's Discussion and Analysis ("MD&A"), the basic financial statements, required supplementary information, and the combining and individual fund financial schedules. The Statistical Section contains information of a historical nature relating to the County's finances, demographics, and other miscellaneous statistics.

The County's financial statements have been audited by The Binkley Kanavy Group, LLC, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2006, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2006, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of the County is part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports will be available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is to complement MD&A and it should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

### ***PROFILE OF BEAVER COUNTY***

The County was formulated on March 12, 1800, from parts of Washington and Allegheny Counties. It is 435 square miles and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 178,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships, and two third class cities. Rich in resources, its location along the Ohio and Beaver Rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's, the County redirected its efforts to develop its riverfronts for recreational, as well as manufacturing uses. Its close proximity to the Greater Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational opportunities for residents with the Community College of Beaver County, Geneva College, and Penn State University Beaver Campus. The County also has medical facilities available to its residents with The Medical Center, Beaver, and Aliquippa Community Hospital.

## ***PROFILE OF BEAVER COUNTY - (Continued)***

Beaver County's government structure consists of a three-member Board of Commissioners that performs all legislative and executive functions. The Treasurer is elected to collect taxes and invest County funds. The Court of Common Pleas is the judicial arm of county government. There are seven judges that preside over the Court of Common Pleas. Other court related Row Officers are the District Attorney, Clerk of Courts, Coroner, Prothonotary, Sheriff, Register of Wills, Clerk of the Orphans Court, Recorder of Deeds, and Jury Commissioner.

All elected officials serve four-year terms with the exception of the Judges who are elected to ten year terms and are subject to a retention vote after their ten year term expires.

The County provides a full range of services to its citizens, ranging from health to law enforcement and from the construction and maintenance of infrastructure to recreational activities and cultural events. The County also provides funding and aid to the Beaver County Transit Authority and the Community College of Beaver County, legally separate entities which have been included as an integral part of the County's financial statements. Additional information on these entities can be found in Note A of the financial statements.

Under the provisions of the Fourth Class County Code, the Controller is responsible for prescribing the method of financial reporting and for auditing, and for payment of the County bills. The Controller is the supervisor of the budget and is a member of the Prison Board, Salary Board and Retirement Board. As supervisor of the County Budget, the Controller is responsible for monitoring the departmental line items on a daily basis as well as preparing a preliminary budget for the Board of Commissioners' approval. The budget process begins in late summer with each department receiving a budget request form to formally request operating allocations for the next fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open meetings that may be attended by the public. Once a final budget is prepared, it is publicly displayed for twenty days prior to final adoption by the Board of Commissioners. The date for final action on the budget adoption must be made a matter of public notice for at least ten days prior to Commissioners' approval at a public meeting.



## *FACTORS AFFECTING FINANCIAL CONDITION*

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the County operates. Recently, jobs have been lost within the manufacturing and airline industries.

Through efforts of the various economic stimulus programs within the County, we have seen growth within the retail industry. Shopping plazas have been expanded to include theatres, restaurants, and retail outlets. Recently, the construction of the Lincoln Park Performing Arts Center located in Midland has brought cultural events and educational opportunities to the County. This facility has brought several hundred jobs to Beaver County.

## *LOCAL ECONOMY*

Through the efforts of the Corporation of Economic Development ("CED"), which is partially funded by the County, projects have been completed that enhance the Beaver County economy. Efforts have been made to encourage diversified job creation and private investment. A summary of these activities and involved companies include those which are listed below.

The CED assists many qualifying businesses for loans to improve, expand, or develop their operations that results in economic strength for Beaver County. Through vehicles such as the Business Development Fund ("BDF"), loans are used for fixed asset financing and they can be subordinated to private lenders to encourage their participation.

Through the initiatives of CED, McDanel Advanced Ceramic Technologies was able to acquire additional manufacturing facilities near its existing operation. The project was valued at \$900,000 with assistance from a BDF loan of \$250,000 and a loan from Commonwealth's Small Business First Program in support of the acquisition. McDanel is a leading manufacturer of refractory tubes and sheaths.

In Vanport Township, KMA Manufacturing acquired a 42,000 square foot manufacturing facility and financed an expansion of 24,000 square feet. The project total was \$5.4 million and it includes a PIDA loan from CED for \$1 million and an equipment loan of \$900,000 through the Pennsylvania Department of Community and Economic Development.

CED assisted Pirox, LLC, a technology development and service company which specializes in metals and minerals processing, with a loan of \$200,000. This loan was to assist in utilized patent pending technology which creates synthetic magnetite. This is used in a variety of industrial pigment applications.

## *LONG-TERM FINANCIAL PLANNING*

In developing future economic strategies and potential prospects, we must make use of the natural resources that are available in Beaver County. One of the most prominent natural resources that Beaver County enjoys is its rivers. The County encourages and assists financially in the development of its riverfront for recreational, commercial, and residential use. The County also provides assistance through planning, tax incentives, marketing, and promotional activities.

The CED encourages Beaver County communities to develop their areas along the Beaver and Ohio rivers. The establishment of the Riverfront Development Program is entrusted with that mission. The river communities involved in the program are Fallston, New Brighton, Bridgewater, Rochester Borough, Rochester Township, Beaver, Freedom, Greene Township, and Monaca. The communities have formed an advisory committee which selects and prioritizes the projects to be developed by the program.

In an effort to provide proactive, coordinated, and comprehensive assistance to existing local industry, CED established the Beaver County Industrial Support Network ("BCISN") as part of the Commonwealth's Team Pennsylvania program. The BCISN is an organized effort of eighteen (18) public and private groups involved in economic development. The group will provide annual on-site interviews with chief decision makers of local industry to develop a better understanding of Beaver County's industrial base and to attempt to address the needs of local industry.

Combining efforts to accomplish a goal is essential in developing quality economic strategies that are common to more than one county organization. The CED and Beaver County Industrial Development Authority ("IDA") are in their ninth year of a joint management services agreement.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaver County for its comprehensive annual financial report for the fiscal year ended December 31, 2005. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## CONTROLLER'S CLOSING REMARKS


The information that is presented in this report reflects the unified efforts of officials and administrators to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, the County is able to offer many programs and extend financial assistance to those individuals that qualify. The administration and management are to accomplish a professional business environment.

The County continues in its efforts to obtain federal funding and funding available through the Commonwealth of Pennsylvania for mandated programs and services.

## ACKNOWLEDGEMENTS

The presentation of this report on a timely basis is the result of a cooperative effort of many individuals. I wish to thank my staff and those individuals that assisted in the preparation of this report. This report and additional County information may be reviewed online by visiting our website at <http://www.beavercountypa.gov>.

Respectfully,

  
Richard W. Towcimak  
Beaver County Controller



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Beaver  
Pennsylvania

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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**BEAVER COUNTY GOVERNMENT  
ELECTED OFFICIALS**

**BOARD OF COMMISSIONERS:**     JOE SPANIK, CHAIRMAN\*  
   DAN DONATELLA, FORMER CHAIRMAN\*  
   CHARLES A. CAMP

**CLERK OF COURTS:**             JUDY R. ENSLEN

**CONTROLLER:**                  RICHARD W. TOWCIMAK

**CORONER:**                      WAYNE N. TATALOVICH

**DISTRICT ATTORNEY:**         ANTHONY BEROSE

**PROTHONOTARY:**              NANCY C. WERME

**RECORDER OF DEEDS:**         JANICE JESCHKE BEALL

**REGISTER OF WILLS:**         CAROL R. FIORUCCI

**SHERIFF:**                      FELIX A. DeLUCA, JR.

**TREASURER:**                  CONNIE T. JAVENS

**JURY COMMISSIONERS:**         DOROTHY COLELLA  
   PEGGY ROSE

**COURT OF COMMON PLEAS:**     HON. ROBERT E. KUNSELMAN  
   HON. JOHN D. McBRIDE  
   HON. GEORGE E. JAMES  
   HON. C. GUS KWIDIS  
   HON. RICHARD MANCINI  
   HON. JOHN P. DOHANICH  
   HON. DEBORAH KUNSELMAN

**DISTRICT JUSTICES:**     HARRY E. KNAFELC             36-01-01  
   WILLIAM LIVINGTON           36-01-02  
   JAMES DiBENEDETTO         36-01-03  
   EDWARD C. HOWE             36-02-01  
   TIM FINN                      36-02-02  
   DALE NICHOLSON             36-03-01  
   C. DOUGLAS LOUGHNER       36-03-02  
   JANET SWIHART               36-03-04  
   JOSEPH SCHAFFER             36-03-03

## DEPARTMENT MANAGERS

ADULT PROBATION  
AIRPORT  
ALLENCREST  
ASSESSMENT/TAX CLAIM  
FRIENDSHIP RIDGE  
CHIEF CLERK  
CHILD CARE CHOICES  
COMMUNITY DEVELOPMENT  
COURT ADMINISTRATOR  
DOMESTIC RELATIONS  
ELECTIONS BUREAU  
EMERGENCY SERVICES  
FINANCIAL ADMINISTRATOR  
DEPARTMENT OF PUBLIC WORKS  
HUMAN RESOURCES  
INFORMATION TECHNOLOGY  
JAIL WARDEN  
JUVENILE SERVICES  
LAW DEPARTMENT  
LAW LIBRARY  
LIBRARY COMMISSION  
MENTAL HEALTH/MENTAL RETARDATION  
MICROGRAPHICS  
OFFICE ON AGING  
PLANNING COMMISSION  
PUBLIC DEFENDER  
PURCHASING/MAILROOM  
RECREATION  
VETERANS ADMINISTRATION  
VICTIM SERVICES  
WASTE MANAGEMENT  
WEIGHTS AND MEASURES

DON NEILL  
BETH LaVALLE  
ROBERT ROSE  
MICHAEL KOHLMAN  
ANTHONY ZELENKA\*\*  
TRACEY PATTON  
JOE PIROLI  
LISA SIGNORE  
RICHARD DeFILLIPPI  
JOE SIGNORE  
DORENE MANDITY  
WES HILL  
ROB CYPHERT  
JAMES CAMP  
RICHARD DARBUT  
FRANK SIGNORE  
WILLIAM SCHOUPE  
ROBERT ROSE  
MYRON SAINOVICH  
BETTY DENGEL  
DIANE AMBROSE  
GERARD MIKE  
CHARLES HILT  
BEVERLY SULLIVAN  
FRANK MANCINI  
PAUL STEFF  
MARY ANN RUSKIN  
TOM KING  
WILLIAM MUNS  
STEVE JURICH  
CHARLES RAABE  
RON ZUCCARO

\* Chairmanship officially changed January 2, 2007

\*\* Contract with Premier Consulting.

## **ELECTED OFFICIALS**

### ***BOARD OF COMMISSIONERS***

The Board of Commissioners are the chief executive officers of the County. They are responsible for all legislative and administrative functions of the County.

### ***CLERK OF COURTS***

The Clerk of Courts is the chief clerk of the Court of Common Pleas. The Clerk of Courts is responsible for maintaining court records and collecting all court related fines and fees.

### ***CONTROLLER***

The Controller is the chief financial officer of the County who is responsible for supervising the budget, financial reporting, auditing, accounts payable and payroll. In addition, the Controller sits on many boards and is responsible for many administrative functions relating to those boards.

### ***CORONER***

The Coroner is responsible for inquiries/inquests relating to wrongful and/or suspicious deaths for the County.

### ***DISTRICT ATTORNEY***

The District Attorney is the chief prosecutor for the County.

### ***PROTHONOTARY***

The Prothonotary is responsible for maintaining court records and filings relating to divorce, civil cases, filing financial statements, liens and issuing passports.

### ***RECORDER OF DEEDS***

The Recorder of Deeds is responsible for the official filing of all property transfers within the County. This includes recordation of mortgages as well as deeds for properties sold.

### ***REGISTER OF WILLS***

The Register of Wills is responsible for issuing marriage licenses, legal filings of estates and collecting estate taxes.

## **ELECTED OFFICIALS – (Continued)**

### ***SHERIFF***

The Sheriff is the chief law enforcement officer for the County.

### ***TREASURER***

The Treasurer is responsible for collecting taxes levied by the County, investing County funds and issuing licenses for small games of chance and dog permits.

### ***JURY COMMISSIONERS***

The Jury Commissioners are responsible for the jury selection process for the Court of Common Pleas.

### ***COURT OF COMMON PLEAS***

There are six judges that preside over the Court of Common Pleas within Beaver County. They are responsible for hearing cases and legal decisions in addition to overseeing the Court system of Beaver County.

### ***DISTRICT JUSTICES***

There are nine District Justices within Beaver County that are established by district. They are responsible for arraignments, hearing minor claims, and traffic violations for Beaver County.



## DEPARTMENT DESCRIPTIONS

### *ADULT PROBATION*

This office administers the probation procedures as established by the Court system. The office is responsible for monitoring adult individuals who are serving court-mandated probation in addition to administering state and federal grants that are received for such purposes.

### *AIRPORT*

This department is responsible for the safe and efficient operation of the Beaver County Airport. This includes enforcing Federal Aviation Administration policies and administering grants that are in effect for various airport projects.

### *ALLENCREST JUVENILE DETENTION CENTER*

The center operates within guidelines as established by the court system pertaining to juveniles. This center houses and monitors juveniles while providing necessary counseling as required by the courts.

### *ASSESSMENT / TAX CLAIM*

This office is responsible for enforcing taxes levied by the Board of Commissioners for real estate. It assesses all properties within the County and manages the tax system.

### *CHIEF CLERK*

The Chief Clerk is an administrative assistant to the Board of Commissioners.

### *CHILD CARE CHOICES*

This department is responsible for the managed care program for children within Beaver County and it administers the grant programs that are established for those purposes by the Commonwealth and Federal government.

### *CHILDREN AND YOUTH SERVICES*

This agency oversees the programs which the County provides under grants awarded by the Commonwealth and Federal governments for the welfare of children. The agency provides families as well as children with various services such as counseling and foster care.

## DEPARTMENT DESCRIPTIONS - (Continued)

### *COMMUNITY DEVELOPMENT*

This department is responsible for the administration of Federal and Commonwealth grants that are provided to the County for various programs. These programs assist in private and public development and improvement such as main street renovations and infrastructure repairs.

### *COURT ADMINISTRATOR*

This administrative office of the Court manages the Court system within Beaver County. This entails all activities and responsibilities of the Court system, as well as the offices that are responsible for those activities.

### *INFORMATION TECHNOLOGY*

This office is responsible for managing information services which are provided for the County. The department provides technical services and support for various hardware and software programs in operation as well as communication systems. The department also directs the central telephone system.

### *DEPARTMENT OF PUBLIC WORKS*

This department manages various County projects, parks, road maintenance, rodent control, buildings and grounds and minor repairs.

### *DOMESTIC RELATIONS*

This court related office is responsible for providing and managing services that are under the auspices of the Court system regarding domestic (family) problems and court situations.

### *ELECTIONS BUREAU*

This office is responsible for all activities involving primary, general and special elections within Beaver County.

### *EMERGENCY SERVICES*

This office is responsible for managing and administering all activities that pertain to emergency situations affecting Beaver County. The 911 Center of Beaver County is under this jurisdiction.

## DEPARTMENT DESCRIPTIONS - (Continued)

### *FINANCIAL ADMINISTRATOR*

This individual is responsible for the preparation of the County's budget.

### *JAIL*

The jail serves as a detention center for individuals awaiting trial or sentenced to serve time for minor violations or on work release programs mandated by the Court.

### *JUVENILE SERVICES*

This department is responsible for overseeing the probation activities relating to minors/juveniles ordered into probation programs through the court system.

### *HUMAN RESOURCES*

This department is responsible for all activities pertaining to human resources for Beaver County. Included in this array of services are employee hiring, discharge, rehabilitation efforts, administering EEOC compliance, and labor relations activities.

### *LAW DEPARTMENT*

This department acts as general legal counsel for the County. They directly report to the Board of Commissioners but assist all county offices and departments with legal expertise.

### *LIBRARY COMMISSION*

The commission administers the library system of Beaver County. The system is composed of ten member libraries and a bookmobile. Each library is responsible for managing its own budget and is supported by Federal, Commonwealth, and County funds.

### *MENTAL HEALTH/RETARDATION*

This agency provides services for individuals needing assistance due to dependencies or addictions to controlled substances and alcohol abuse. The services provided are mental health, mental retardation, and drug and alcohol programs in forms of self-help and advocacy organizations. They also provide counseling, case management, prevention/intervention, outpatient and inpatient services, and treatment. The agency is able to provide such services through grants offered by Federal, Commonwealth and County funding.

## DEPARTMENT DESCRIPTIONS – (Continued)

### *MICROGRAPHICS*

This department provides microfilming services and record assistance to all Beaver County offices.

### *OFFICE ON AGING*

This agency is responsible for administering all programs provided by Beaver County to senior citizens. The types of services include but are not limited to: information and referral, care management, homemaker service, personal and attendant care, adult day care, respite care and ombudsman services. This agency is able to provide services through funding provided by the Federal, Commonwealth, and County governments.

### *PUBLIC DEFENDER*

The Public Defender is responsible for providing legal services to indigent individuals as required by the Courts.

### *PURCHASING/CENTRAL SERVICES*

This department is responsible for all procurement for the County. In addition, it is responsible for maintaining all records for fixed assets.

### *RECREATION AND TOURISM PROMOTION*

This department is responsible for administering all recreational programs offered by the County, management of County recreational facilities, and promoting tourism within the County.

### *VETERANS AFFAIRS*

This department provides services and information to veterans and their families concerning benefits and it administers the Federal, Commonwealth, and County laws pertaining to burial of deceased veterans and their spouses.

### *VICTIM WITNESS*

This department operates under the auspices of the District Attorney's Office. It provides assistance to individuals that had been victimized by a crime or witnessed a crime.

## DEPARTMENT DESCRIPTIONS - (Continued)

### *WASTE MANAGEMENT*

This department manages the recycling program for Beaver County.

### *WEIGHTS AND MEASURES*

This department is responsible for the testing and review of all weighing and measuring devices both public and private within Beaver County and offering the necessary certifications of compliance.

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June 26, 2007

The Board of County Commissioners  
and the Beaver County Controller  
County of Beaver  
Beaver, Pennsylvania

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of Beaver County, Pennsylvania (the County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component units' financial statements of the Beaver County Transit Authority and the Community College of Beaver County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for the Beaver County Transit Authority and the Community College of Beaver County, is based solely on reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County, Pennsylvania, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note M to the financial statements, the Company changed the application of its method of recognizing infrastructure in 2006.

The management's discussion and analysis on pages 20 through 32 and the respective budgetary comparisons for the general fund and major special revenue funds on pages 112 through 115 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparisons of the non-major special revenue funds and capital projects funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and budgetary comparisons of the non-major special revenue funds and capital projects funds have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*The Dinkley Kanavy Group, LLC*

Certified Public Accountants



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Beaver (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

- Despite the continued decrease in intergovernmental revenues, the tax millage was not increased.
- The County continues with its commitment of funding local educational entities.
- For a second consecutive year, the County-owned long-term care facility, Friendship Ridge, incurred an approximate \$2.0 million increase in net assets.
- In the face of continuing economic difficulties, tax revenue collections remained constant.
- The County maintained an investment grade bond rating of AAA insured from Standard & Poor's.
- The County continued with its workforce reduction program, which generated important savings as reflected on the accompanying financial statements.
- The 2006 Annual Required Contribution to the pension trust fund was \$2,020,537.
- The County issued a Tax Revenue Anticipation Note on January 2, 2006, to provide for short-term financing needs. This note was repaid before June 30, 2006.
- Friendship Ridge secured significant intergovernmental funding for needed capital improvements.
- Some of the County's long-term debt was restructured to improve overall liquidity.
- The County was the recipient of intergovernmental funding for the successful implementation of electronic voting devices.
- The HealthChoices Program continues to successfully manage expenses so that excess funds can be used to fund behavioral health programs across the County.

- The Pension Trust Fund generated an approximate \$23 million increase due primarily to appreciation in the fair value of investments.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* provides information showing the status of the County's financial position at year-end. It reports the availability of assets for future use and is an important management tool in financial planning. The statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of a government.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, earned but unused vacation leave, accrued interest on long-term debt, accrued payroll, and intergovernmental receivables.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government, judicial, public safety, public works and enterprise, culture, recreation, conservation, and human services. The business-type activities of the County are Friendship Ridge, Emergency Services, and HealthChoices.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also two legally separate entities, the Beaver County Transit Authority and the Community College of Beaver County, for which the County provides subsidies and appoints their boards. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 33-36 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** This fund grouping is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Immediately following both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances, a statement is presented that provides a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

The County maintains twenty-one individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balance for the General Fund, Mental Health / Mental Retardation, Children & Youth, and the Community Development Program, all of which are considered to be major funds. Data from the other seventeen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The County adopts an annual appropriated budget for its governmental funds.

The County used the implementation of a new computer system as an opportunity to completely reevaluate all fund classifications. This extensive review caused funds to be reclassified. The County segregated Tourist Promotion and Register of Wills Automation into their own special revenue funds rather than being included into the General Fund. Additionally, the following agency funds were reclassified as special revenue funds: Recorder of Deeds Records Improvement, Prothonotary Automation, and Clerk of Courts Automation.

The basic governmental funds' financial statements can be found on pages 37-42 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Friendship Ridge, Emergency Services, and HealthChoices.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The County uses internal service funds to account for the medical benefits of the County's employees (except for Friendship Ridge) and to account for workers' compensation costs. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge and HealthChoices. These are both major funds. Emergency Services, which is a non-major fund, is also presented on the proprietary funds' financial statements. The proprietary funds' financial statements also provide separate information for the County's internal service funds.

The basic proprietary funds' financial statements can be found on pages 43-48 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 49-50 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 51-110 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the general fund and other major funds which have been provided to demonstrate compliance with the budget.

Required supplementary information can be found on pages 111-116 of this report.

The combining schedules referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Combining and individual fund schedules can be found on pages 135-156 of this report.

## Government-wide Financial Analysis

This analysis focuses on the Primary Government (see above). Separate financial statements for the County's component units, including their managements' discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

## Analysis of Net Assets

Net assets are a useful indicator of a government's financial position. For the County, total liabilities exceeded assets by \$3,706,906 and \$7,487,000, at December 31, 2006 and 2005, respectively.

### County of Beaver's Statement of Net Assets (in thousands)

The following is a summary of the County's Statement of Net Assets as of December 31, 2006 and 2005:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Assets:</b>						
Current and Other Assets	\$ 36,389	\$ 39,776	\$ 24,905	\$ 21,207	\$ 61,294	\$ 60,983
Capital Assets	91,233	91,122	13,724	12,756	104,957	103,878
	127,622	130,898	38,629	33,963	166,251	164,861
<b>Liabilities:</b>						
Long-Term Liabilities	112,158	102,760	4,921	5,436	117,079	108,196
Other Liabilities	19,171	20,651	7,839	7,027	27,010	27,678
	131,329	123,411	12,760	12,463	144,089	135,874
<b>Net Assets:</b>						
Invested in Capital Assets, net of related debt	9,180	10,269	9,146	9,231	18,326	19,500
Restricted	-	-	9,732	7,815	9,732	7,815
Unrestricted	(12,887)	(2,782)	6,991	4,454	(5,896)	1,672
	\$ (3,707)	\$ 7,487	\$ 25,869	\$ 21,500	\$ 22,162	\$ 28,987

A significant portion of net assets are largely restricted for specific legal purposes in the HealthChoices program.



**County of Beaver's Statement of Activities**  
(in thousands)

The following summarizes the County's Statement of Activities for the years ended December 31, 2006, and 2005.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	2006	2005	2006	2005	2006	2005
<i>Program Revenues:</i>						
Fees and Charges	\$ 10,607	\$ 10,575	\$ 72,935	\$ 69,993	\$83,542	\$ 80,568
Operating Grants and Contributions	76,456	76,832	1,660	963	78,116	77,795
<i>General Revenues:</i>						
Real Estate Taxes	34,994	35,871	-	-	34,994	35,871
Investment Income	1,229	1,180	674	317	1,903	1,497
Unrestricted Gifts	-	-	43	8	43	8
	123,286	124,458	75,312	71,281	198,598	195,739
<i>Program Expenses:</i>						
General Government	14,437	17,462	-	-	14,437	17,462
Judicial	13,531	13,067	-	-	13,531	13,067
Public Safety	13,926	13,035	-	-	13,926	13,035
Public Works and Enterprises	4,992	4,477	-	-	4,992	4,477
Culture, Recreation, and Conservation	2,981	2,923	-	-	2,981	2,923
Human Services	62,831	65,028	-	-	62,831	65,028
Economic Development	8,074	9,912	-	-	8,074	9,912
Interest Expense	4,454	4,538	-	-	4,454	4,538
Friendship Ridge	-	-	48,981	48,688	48,981	48,688
Emergency Services	-	-	1,647	1,451	1,647	1,451
HealthChoices	-	-	20,652	18,781	20,652	18,781
Total Expenses	125,226	130,442	71,280	68,920	196,506	199,362
Excess (Deficiency) Before Other Items and Transfers	(1,940)	(5,984)	4,032	2,361	2,092	(3,623)
Gain (Loss) on Disposals	(135)	334	-	-	(135)	334
Investment Loss	(8,783)	-	-	-	(8,783)	-
Transfers	(337)	(363)	337	363	-	-
Change in Net Assets	(11,195)	(6,013)	4,369	2,724	(6,826)	(3,289)
Net Assets - Beginning	7,488	13,500	21,500	18,776	28,988	32,276
Net Assets - Ending	\$ (3,707)	\$ 7,487	\$ 25,869	\$ 21,500	\$ 22,162	\$ 28,987

### Changes in Net Assets

The County's governmental net assets decreased by \$11,195,343 and \$6,013,450 for the years ended December 31, 2006 and 2005, respectively. The mix of County revenues changed little from 2005. Approximately 62% of the County's revenue came from grants and contributions, 9% for services provided, and 29% from taxes on real property. The corresponding figures for 2005 were 40%, 42%, and 18% respectively. The County's expenses cover a wide range of services. The largest share of expenses continues to be incurred for Human Services, HealthChoices, and Friendship Ridge.

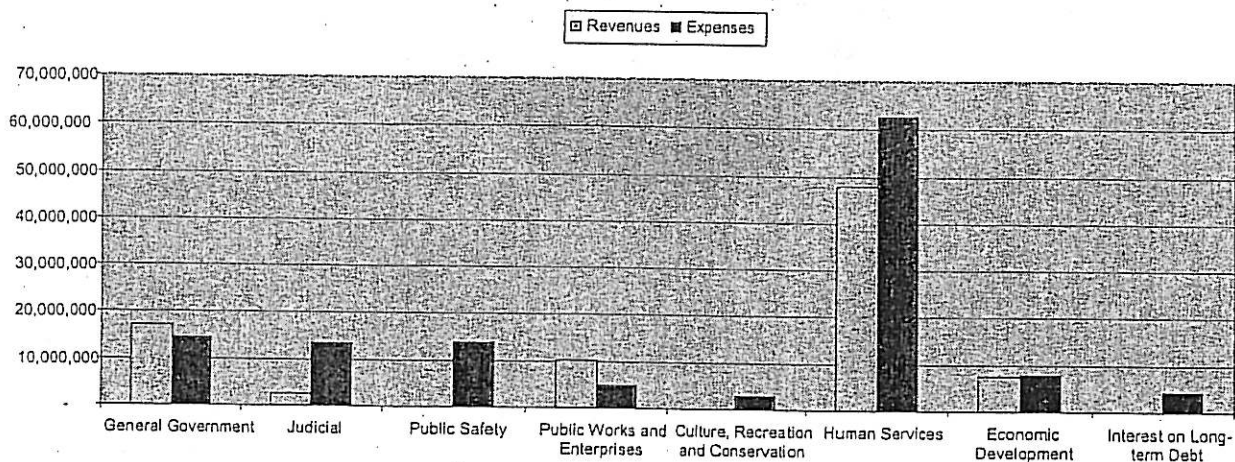
### Analysis of Changes in Net Assets

The County's net assets decreased by \$6,825,515 and \$3,289,509 for the years ended December 31, 2006 and 2005, respectively. This decrease is explained in the governmental and business-type activities discussion below.

### Governmental Activities

Governmental Activities decreased the County's net assets by \$11,195,343. Key elements of the decrease is the loss incurred on the exchange of financial instruments further described in Note J to the financial statements.

Expenses and Program Revenues - Governmental Activities



In the general government function, expenses decreased by \$2.1 million. This was a result of the County reducing amounts paid to help construct the Performing Arts Center.

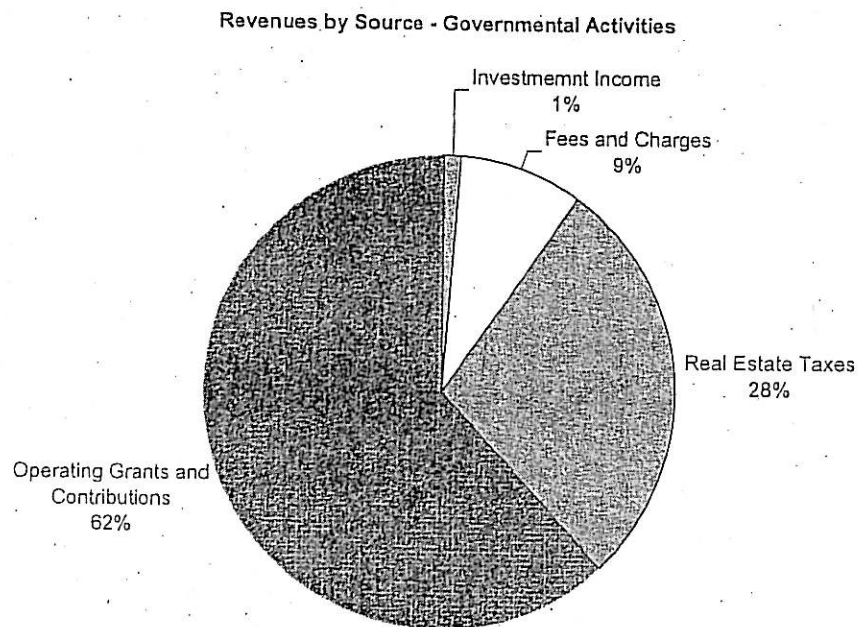
In the public works function, revenues decreased by \$2.8 million due to a decrease of grants for Liquid Fuels bridge projects.

In the human services function, expenses decreased by \$2.2 million in large part due to a reduction in sub-contracted services for MH/MR and Children and Youth.

In the economic development function, expenses decreased by \$2.0 million which in large part is due to a reduction in funding from the U.S. Department of Housing and Urban Development of \$2.0 million that was 100% passed thru to another entity.

In the public safety function, expenses increased by \$1.1 million in large part due to increased fees concerning proposed changes at the jail.

For the 2006 tax cycle, the Commissioners of Beaver County did not increase the real estate tax millage.





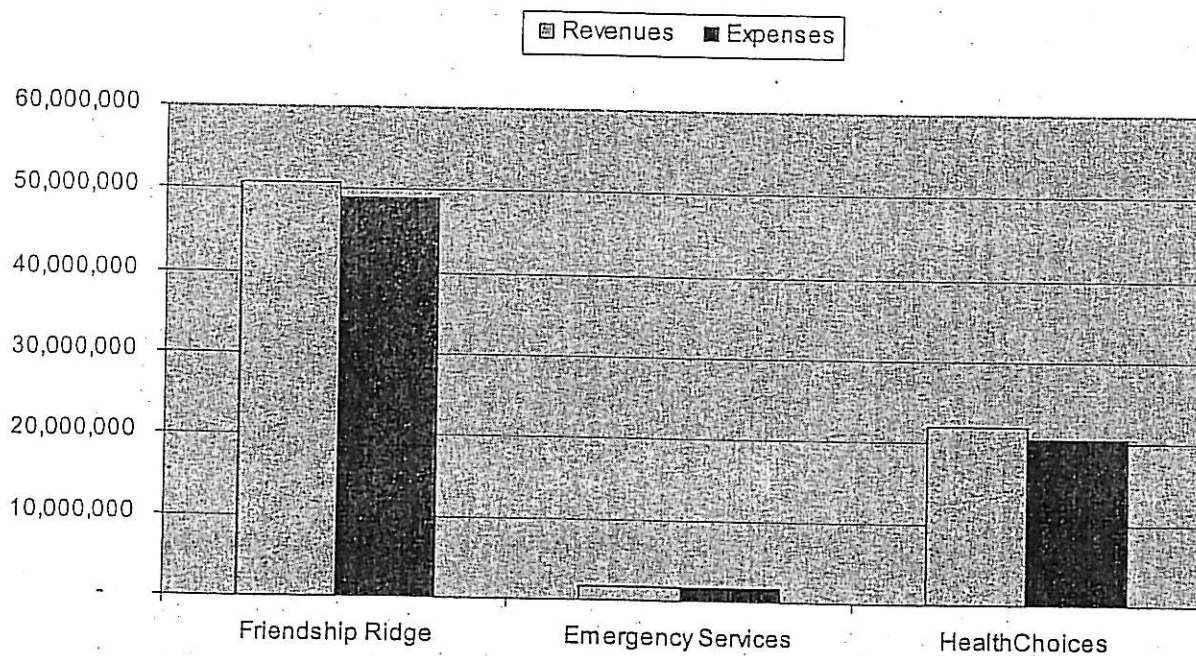
### Business-type Activities

Business-type activities increased the County's net assets by \$4,369,827 for the year ended December 31, 2006. Friendship Ridge and HealthChoices accounted for the majority of this increase.

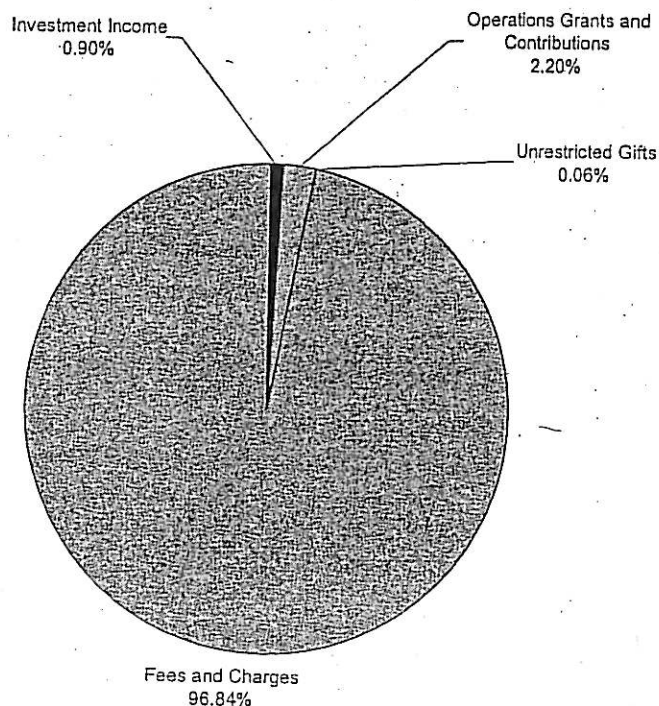
HealthChoices continued to properly manage its capitation revenues to generate a \$1.9 million income. All of HealthChoices excess revenues are restricted to furthering behavioral health treatment in the County or to provide financial stability within the HealthChoices program.

Friendship Ridge received approximately \$1.7 million in the form of a grant from the County Commissioners Association of Pennsylvania, which was used to install a new sprinkler system and other capital improvements.

Expenses and Program Revenues - Business-type Activities



### Revenues by Source - Business-type Activities



### Financial Analysis of the County's Individual Funds

#### *Governmental Funds*

The focus of the County's Governmental Funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2006, the County's Governmental Funds reported a combined ending fund balance of \$6,367,944 which represents a decrease of \$794,698 in comparison to the previous year. The ending fund balance represents amounts available for future appropriations as follows: \$6,137,563 the Special Revenue Funds, and \$372,830 for the Capital Projects Funds. The general fund had a negative fund balance of \$142,447.

The General Fund is the main operating fund for the County. Its fund balance decreased by approximately \$0.7 million during 2006 and it decreased by approximately \$0.1 million during 2005. The County is continuing its efforts to control expenditures. The General Fund is discussed in more detail in the General Fund budgetary highlights section (see below).

### ***Proprietary Funds***

The County's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the analysis of the changes in net assets for business-type activities for a discussion of Friendship Ridge and the HealthChoices program.

### ***Fiduciary Funds***

The County maintains Fiduciary Funds for the Pension Trust Fund and several agency funds. The Pension Trust Fund's net assets increased by \$22,778,741 as compared to an increase of \$16,858,468 during 2005. The increase in 2006 was primarily due to the appreciation in fair value of investments as compared to the increase in 2005, which was generated to a great extent by the contribution of the proceeds of a bond issue.

### **General Fund Budgetary Highlights**

During any given year there are many factors that may change a budget from the *original* approved version to the *final* ending version. There may be changes in policies, revenue sources or unexpected events that have a financial impact upon the County and require that the budget be adjusted to reflect those circumstances.

The General Fund's budgeted revenues were increased by \$0.5 million from the original budget primarily due to an expected increase in intergovernmental revenues that was never realized.

The General Fund's budgeted expenses were increased by \$0.5 million from the original budget during the year. The reasons for such an increase was largely due to the increase in Public Safety expenses.

In reviewing the General Fund budget, there are differences between actual amounts and those budgeted that are due to various business and economic factors within the County. General Fund expenses ended approximately \$3.8 million under budget. Decreased funding for the Performing Arts Center due to the decrease in grant revenue used to pay for the institution created part of this reduction.

The County continues to operate in a fiscally prudent manner, with each department's manager monitoring employee expenses (overtime, travel), delaying major purchases, and imposing a freeze on job creation.

**County of Beaver's Capital Assets**  
(in thousands and net of depreciation)

What follows is a summary of the County's capital assets as of December 31, 2006 and 2005.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Assets not Being Depreciated	\$ 1,874	\$ 1,874	\$ 42	\$ 56	\$ 1,916	\$ 1,930
Buildings and Improvements	61,600	64,197	7,192	5,613	68,792	69,810
Vehicles	236	353	-	-	236	353
Furniture and Equipment	5,093	3,849	6,490	7,101	11,583	10,950
Infrastructure	<u>22,428</u>	<u>20,848</u>	<u>-</u>	<u>-</u>	<u>22,428</u>	<u>20,848</u>
Total	<u>\$ 91,231</u>	<u>\$ 91,121</u>	<u>\$ 13,724</u>	<u>\$ 12,770</u>	<u>\$ 104,955</u>	<u>\$ 103,891</u>

Additional information on the County's capital assets can be found in Note F on pages 77-80 of this report.

**Outstanding Debt, at Year End**

Here is a summary of the County's long-term debt at December 31, 2006, and 2005:

	<u>2006</u>	<u>2005</u>
Governmental activities		
General obligation debt	\$65,906,708	\$70,022,446
Other long-term debt	<u>25,703,830</u>	<u>20,790,000</u>
	91,610,538	90,812,446
Business-type activities		
General obligation debt	4,303,664	4,982,040
Other long-term debt	<u>290,000</u>	<u>-</u>
	<u>4,593,664</u>	<u>4,982,040</u>
Total	<u>\$ 96,204,202</u>	<u>\$ 95,794,486</u>

The County's general obligation bond rating is 'AAA' insured from Standard and Poor's. More detailed information about the County's long-term liabilities can be found in Note J on pages 88-103 of this report.

### **Economic Factors**

Beaver County refunded some of its long-term debt during 2006. This was required to maintain a positive cash flow without curtailing services to County residents. The Commissioners and elected officials continue to market Beaver County to entice tourists to visit the area and businesses to locate within the County.

### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Controller  
Beaver County Courthouse  
810 Third Street  
Beaver, Pennsylvania 15009-2196

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## **BASIC FINANCIAL STATEMENTS**



**County of Beaver, Pennsylvania**

**STATEMENT OF NET ASSETS**  
**December 31, 2006 or June 30, 2006**

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 16,337,430	\$ 10,190,596	\$ 26,528,026
Restricted Cash	-	3,124,257	3,124,257
Investments	-	-	-
Receivables	7,587,000	10,666,262	18,253,262
Internal Balances	157,656	(157,656)	-
Supplies	-	294,961	294,961
Prepaid Expenses	592,183	371,030	963,213
Other Assets	646,718	416,230	1,062,948
Land	1,874,354	42,075	1,916,429
Buildings and Improvements	83,134,711	14,132,486	97,267,197
Vehicles	2,356,160	-	2,356,160
Furniture and Equipment	14,330,744	28,337,084	42,667,828
Infrastructure	31,370,528	-	31,370,528
Accumulated Depreciation	(41,833,933)	(28,787,595)	(70,621,528)
Net Pension Asset	11,068,541	-	11,068,541
<b>TOTAL ASSETS</b>	<u>\$ 127,622,092</u>	<u>\$ 38,629,730</u>	<u>\$ 166,251,822</u>
<b>LIABILITIES</b>			
Accounts Payable and Other			
Current Liabilities:			
Accounts Payable	\$ 7,413,252	\$ 1,893,601	\$ 9,306,853
Accrued Vacation	2,172,915	783,954	2,956,869
Accrued Interest	1,255,572	70,586	1,326,158
Accrued Other Liabilities	1,552,103	1,978,521	3,530,624
Resident Funds	-	236,505	236,505
Unearned Revenues	5,513,661	602,089	6,115,750
Accrued Other Employee Benefits	1,263,398	573,970	1,837,368
Accrued HealthChoices Program Costs	-	1,700,000	1,700,000
Non-current Liabilities:			
Due within one year	3,839,455	655,640	4,495,095
Due in more than one year	108,318,643	4,265,524	112,584,167
<b>TOTAL LIABILITIES</b>	<u>\$ 131,328,998</u>	<u>\$ 12,760,390</u>	<u>\$ 144,089,388</u>
<b>NET ASSETS</b>			
Invested in Capital Assets			
net of related debt	\$ 9,179,985	\$ 9,146,274	\$ 18,326,259
Restricted for:			
Restricted Fund	-	1,500,000	1,500,000
Risk and Contingency	-	3,007,320	3,007,320
Reinvestment	-	5,224,871	5,224,871
Unrestricted	(12,886,891)	6,990,875	(5,896,016)
<b>TOTAL NET ASSETS</b>	<u>\$ (3,706,906)</u>	<u>\$ 25,869,340</u>	<u>\$ 22,162,434</u>

Component Units	
Beaver County Transit Authority as of June 30, 2006	Community College of Beaver County as of June 30, 2006
\$ 651,864	\$ 4,397,352
-	-
-	335,019
3,269,671	1,353,589
-	-
214,245	229,843
77,515	467,658
-	186,846
3,286,121	952,288
14,189,722	17,239,674
9,976,132	97,452
1,138,097	5,681,366
-	-
(10,077,465)	(15,450,259)
-	-
<u>\$ 22,725,902</u>	<u>\$ 15,490,828</u>
\$ 100,886	\$ 862,068
-	737,814
-	38,139
127,704	1,405,566
-	-
2,910,389	145,168
-	300,000
-	-
-	640,074
-	6,072,359
<u>\$ 3,138,979</u>	<u>\$ 10,201,188</u>
\$ 18,512,607	\$ 2,325,170
-	10,000
-	-
-	-
1,074,316	2,954,470
<u>\$ 19,586,923</u>	<u>\$ 5,289,640</u>

The accompanying notes are an integral part of this financial statement.

**County of Beaver, Pennsylvania**

**STATEMENT OF ACTIVITIES**

**For the Years Ended December 31, 2006 or June 30, 2006**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 14,438,453	\$ 7,247,343	\$ 9,903,370	\$ -
Judicial	13,530,585	316,087	2,388,955	-
Public Safety	13,925,640	-	126,547	-
Public Works and Enterprises	4,992,021	670,536	9,703,332	-
Culture, Recreation and Conservation	2,981,813	-	-	-
Human Services	62,830,600	774,607	47,198,829	-
Economic Development	8,073,719	429,784	7,135,563	-
Miscellaneous	-	1,168,842	-	-
Interest Expense	4,454,056	-	-	-
Total Governmental Activities	125,226,886	10,607,198	76,456,596	-
Business-type Activities:				
Friendship Ridge	48,981,201	49,249,600	1,660,497	-
Emergency Services	1,647,499	1,644,239	-	-
HealthChoices	20,652,039	22,040,751	-	-
Total Business-type Activities	71,280,739	72,934,590	1,660,497	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 196,507,625</b>	<b>\$ 83,541,788</b>	<b>\$ 78,117,093</b>	<b>\$ -</b>
Component Units:				
Beaver County Transit Authority	8,250,773	1,076,921	4,708,925	1,074,583
Community College of Beaver County	21,261,918	14,358,961	7,940,471	-
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 29,512,691</b>	<b>\$ 15,435,882</b>	<b>\$ 12,649,396</b>	<b>\$ 1,074,583</b>

General Revenues:  
Real Estate Taxes  
Investment Income (Loss)  
Unrestricted Gifts  
Loss on Disposals  
Transfers

Total General Revenues  
and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

Net (Expenses) Revenues and  
Change in Net Assets

Component Units

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority for the year ended June 30, 2006	Community College of Beaver County for the year ended June 30, 2006
\$ 2,712,260	\$ -	\$ 2,712,260	\$ -	\$ -
(10,825,544)	-	(10,825,544)	-	-
(13,799,093)	-	(13,799,093)	-	-
5,381,847	-	5,381,847	-	-
(2,981,813)	-	(2,981,813)	-	-
(14,857,164)	-	(14,857,164)	-	-
(508,372)	-	(508,372)	-	-
1,168,842	-	1,168,842	-	-
(4,454,056)	-	(4,454,056)	-	-
(38,163,092)	-	(38,163,092)	-	-
-	1,928,896	1,928,896	-	-
-	(3,260)	(3,260)	-	-
-	1,388,712	1,388,712	-	-
-	3,314,348	3,314,348	-	-
\$ (38,163,092)	\$ 3,314,348	\$ (34,848,744)	\$ -	\$ -
-	-	-	(1,390,344)	-
-	-	-	-	1,037,514
\$ -	\$ -	\$ -	\$ (1,390,344)	\$ 1,037,514
34,994,052	-	34,994,052	-	-
(7,553,763)	675,349	(6,878,414)	-	111,711
-	43,524	43,524	-	-
(135,934)	-	(135,934)	(3,575)	-
(336,607)	336,607	-	-	-
26,967,749	1,055,480	28,023,229	(3,575)	111,711
(11,195,343)	4,369,828	(6,825,515)	(1,393,919)	1,149,225
7,488,437	21,499,512	28,987,949	20,980,842	4,140,415
\$ (3,706,906)	\$ 25,869,340	\$ 22,162,434	\$ 19,586,923	\$ 5,289,640

The accompanying notes are an integral part of this financial statement.

**County of Beaver, Pennsylvania**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2006**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children &amp; Youth</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 890,251	\$ 3,786,196	\$ 1,362,774
Prepaid Other	39,752	470,109	25,342
Receivables	1,135,931	571,750	1,824,747
Due From Other Funds	1,836,514	480,591	517,699
<b>TOTAL ASSETS</b>	<u>\$ 3,902,448</u>	<u>\$ 5,308,646</u>	<u>\$ 3,730,562</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,414,927	\$ 3,547,238	\$ 503,966
Due to Other Funds	1,042,893	103,988	873,601
Accrued Wages and Payroll Costs	1,332,217	-	-
Accrued Other Liabilities	119,886	-	-
Deferred Revenues	134,971	639,886	1,672,430
<b>TOTAL LIABILITIES</b>	4,044,894	4,291,112	3,049,997
<b>FUND BALANCES</b>			
Unreserved, Designated:			
General Fund	-	-	-
Special Revenue Funds	-	6,674	-
Capital Projects Funds	-	-	-
Unreserved, Undesignated:			
General Fund	(142,447)	-	-
Special Revenue Funds	-	1,010,860	680,565
Capital Projects Funds	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>(142,447)</u>	<u>1,017,534</u>	<u>680,565</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,902,448</u>	<u>\$ 5,308,646</u>	<u>\$ 3,730,562</u>

<u>Community Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,976,204	\$ 4,182,733	\$ 16,198,158
-	18,366	553,569
656,964	996,153	5,185,544
-	27,701	2,862,505
<u>\$ 6,633,168</u>	<u>\$ 5,224,953</u>	<u>\$ 24,799,776</u>
\$ 798,181	\$ 817,581	\$ 7,081,893
12,180	595,329	2,627,991
-	-	1,332,217
-	-	119,886
4,738,861	83,696	7,269,844
5,549,222	1,496,606	18,431,831
-	-	-
-	1,295,066	1,301,740
-	-	-
-	-	(142,447)
1,083,946	2,060,451	4,835,823
-	372,830	372,830
<u>1,083,946</u>	<u>3,728,347</u>	<u>6,367,945</u>
<u>\$ 6,633,168</u>	<u>\$ 5,224,953</u>	<u>\$ 24,799,776</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

RECONCILIATION OF GOVERNMENTAL FUND BALANCES  
TO THE STATEMENT OF NET ASSETS  
December 31, 2006

TOTAL FUND BALANCES		\$ 6,367,945
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		2,128,021
Deferred revenues for intergovernmental receivables not available to pay for current period expenditures, and therefore are not recognized government-wide.		1,756,111
Costs associated with the issuance of bonds are deferred in the Statement of Net Assets and reported as Other Assets, net of accumulated amortization.		646,717
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	\$ 1,874,354	
Buildings and improvements	83,134,711	
Vehicles	2,356,160	
Furniture and equipment	14,330,744	
Infrastructure	31,370,528	
Accumulated depreciation	(41,833,933)	91,232,564
Accrued interest and accrued vacation payable are not recognized in governmental funds.		
Accrued interest payable	(1,255,572)	
Accrued vacation payable	(2,172,915)	
Other Accrued Expenses	(100,000)	(3,528,487)
Non-current liabilities are not due nor payable in the current period, and therefore, not reported in the funds. Those liabilities consist of:		
General obligation bonds payable	(65,906,708)	
Other general long-term liabilities -		
PFA Series 2005 Bonds	(3,165,000)	
Pension Obligation Bond	(13,675,000)	
PFA 2006 Bonds	(3,825,774)	
PFA Series A of 2006	(3,013,765)	
PFA Series B of 2006	(2,024,294)	
Capital lease obligations	(8,004,763)	
2006 Swap Agreement	(11,654,416)	
Accrued sick and early termination benefits payable	(888,377)	(112,158,097)
Pension Contributions in excess of ARC treated as net pension asset		11,068,541
An internal service fund is used by management to account for medical benefits of the County employees. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.		(1,220,221)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ (3,706,906)

The accompanying notes are an integral part of this financial statement.

**County of Beaver, Pennsylvania**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**For the Year Ended December 31, 2006**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children &amp; Youth</u>	<u>Community Development</u>
<b>REVENUES</b>				
Real Estate Taxes	\$ 35,752,456	\$ -	\$ -	\$ -
Licenses and Permits	71,623	-	-	-
Interest and Rents	426,813	248,958	128,024	220,455
Intergovernmental Revenues	8,959,283	32,535,472	10,277,254	7,135,563
Departmental Earnings	7,010,775	937,484	197,456	429,784
Local Hotel Room Tax	-	-	-	-
Miscellaneous	1,069,146	89,496	-	-
<b>TOTAL REVENUES</b>	<b>53,290,097</b>	<b>33,811,410</b>	<b>10,602,734</b>	<b>7,785,802</b>
<b>EXPENDITURES</b>				
Current:				
General Government	13,325,804	-	-	-
Judicial	9,875,645	-	-	-
Public Safety	12,486,535	-	-	-
Public Works and Enterprises	3,055,634	-	-	-
Culture, Recreation and Conservation	2,479,111	-	-	-
Economic Development	-	-	-	8,000,366
Intergovernmental:				
Human Services	7,378,616	32,871,525	10,406,783	-
Debt Service:				
Principal	1,132,235	-	-	-
Interest	2,104,965	-	-	-
Refunding Bond Issuance Costs	309,351	-	-	-
Infrastructure	18,196	-	-	-
Capital Asset Acquisition and Improvements	1,878,833	38,326	13,357	-
<b>TOTAL EXPENDITURES</b>	<b>54,044,924</b>	<b>32,909,851</b>	<b>10,420,141</b>	<b>8,000,366</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(754,828)</b>	<b>901,559</b>	<b>182,593</b>	<b>(214,564)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Refunding Debt	9,050,000	-	-	-
Original Issue Discount	(62,369)	-	-	-
Payment to Refunded Debt Escrow Agent	(8,678,280)	-	-	-
Transfers from Other Funds	36,568	-	-	-
Disposal of Capital Assets	-	-	-	-
Transfers to Other Funds	(336,607)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>9,312</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(745,515)</b>	<b>901,559</b>	<b>182,593</b>	<b>(214,564)</b>
Fund Balance - Beginning	603,069	115,975	497,972	1,298,510
Fund Balance - Ending	<u>\$ (142,447)</u>	<u>\$ 1,017,534</u>	<u>\$ 680,565</u>	<u>\$ 1,083,946</u>

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 35,752,456
-	71,623
200,454	1,224,703
16,604,937	75,512,509
581,630	9,157,130
209,604	209,604
<u>10,200</u>	<u>1,168,842</u>
17,606,825	123,096,867
48,776	13,374,579
3,163,848	13,039,494
115,781	12,602,316
444,883	3,500,517
207,233	2,686,344
-	8,000,366
11,724,172	62,381,096
-	1,132,235
219,384	2,324,349
-	309,351
2,132,664	2,150,860
<u>642,921</u>	<u>2,573,437</u>
<u>18,699,661</u>	<u>124,074,943</u>
(1,092,836)	(978,076)
-	9,050,000
-	(62,369)
-	(8,678,280)
-	36,568
-	-
<u>(36,568)</u>	<u>(373,175)</u>
<u>(36,568)</u>	<u>(27,256)</u>
(1,129,404)	(1,005,332)
<u>4,857,752</u>	<u>7,373,278</u>
<u>\$ 3,728,347</u>	<u>\$ 6,367,946</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2006**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (1,005,332)
Revenue timing differences resulted in less revenue for real estate taxes in the Statement of Activities.		(758,404)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		930,711
The differences due to capital assets are as follows:		
1. Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 4,724,297	
Depreciation expense	<u>(4,477,859)</u>	246,438
2. The effect of the disposal of capital assets is to decrease net assets by the net book value of the disposed assets.		(135,934)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Changes in accrued interest payable	(96,570)	
Changes in accrued vacation payable	16,506	
Changes in other accrued liabilities	<u>(100,000)</u>	(180,064)
The difference due to non-current liabilities are:		
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Bond principal payments	1,132,235	
Capital lease obligation payments	193,162	
Debt issuance	<u>9,050,000</u>	10,375,397
2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Capitalized bond issuance costs	(309,351)	
Amortization of bond issuance costs	<u>(53,668)</u>	(363,019)
3. The expense for sick leave and early termination benefits does not require the use of current financial resources. These items are reported as a non-current liability in the Statement of Net Assets.		(63,666)
4. Elimination of refinancing proceeds that were immediately transferred to escrow.		(8,678,280)
5. Interest paid by bond refinancing proceeds not reported in funds.		(1,592,049)
Amortization of excess general fund pension contribution		(464,973)
Investment loss generated by non-monetary exchange of financial instruments		(8,782,916)
An internal service fund is used by management to account for medical and workers' compensation benefits of the County employees. The net change in activity of the internal service fund is reported with governmental activities.		<u>(723,252)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ (11,195,343)</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
December 31, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities
	Friendship Ridge	Health Choices	Non-Major Fund Emergency Services 911	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and Cash Equivalents	\$ 140,345	\$ 9,088,585	\$ 961,666	\$ 10,190,596	\$ 139,272
Restricted Cash	393,440	2,730,817	-	3,124,257	-
Receivables	10,482,052	18,891	165,319	10,666,262	268,434
Supplies	294,960	-	-	294,960	-
Due from Other Funds	-	19,733	-	19,733	-
Prepaid Expenses	42,782	328,248	-	371,030	38,613
Total current assets	11,353,579	12,186,274	1,126,985	24,666,838	446,319
Non-current assets:					
Land	42,075	-	-	42,075	-
Buildings and Improvements	14,132,486	-	-	14,132,486	-
Furniture and Equipment	26,259,350	94,570	1,983,164	28,337,084	-
Less Accumulated Depreciation	(26,949,452)	(81,664)	(1,756,479)	(28,787,595)	-
Other Assets	416,230	-	-	416,230	-
Total non-current assets	13,900,689	12,906	226,685	14,140,280	-
<b>TOTAL ASSETS</b>	\$ 25,254,268	\$ 12,199,180	\$ 1,353,670	\$ 38,807,118	\$ 446,319
<b>LIABILITIES</b>					
Current liabilities:					
Accounts Payable	\$ 1,744,594	\$ 120,811	\$ 28,195	\$ 1,893,600	\$ 326,285
Accrued Payroll	927,326	-	-	927,326	-
Accrued Vacation	783,954	-	-	783,954	-
Current Lease Obligations	32,640	-	-	32,640	-
Due to Other Funds	-	14,583	162,806	177,389	76,857
Accrued Interest	70,586	-	-	70,586	-
Accrued Other Liabilities	626,393	602,802	-	1,229,195	712,231
Resident Funds	236,505	-	-	236,505	-
Deferred Revenues	8,987	-	593,102	602,089	-
Accrued Employee Benefits	573,970	-	-	573,970	-
Accrued Healthcare Costs	-	1,700,000	-	1,700,000	551,167
Bonds Payable	445,000	-	-	445,000	-
Total current liabilities	5,449,955	2,438,196	784,103	8,672,254	1,666,540
Long-term liabilities:					
Bonds Payable	4,148,664	-	-	4,148,664	-
Non Current Capital Lease Obligations	116,860	-	-	116,860	-
<b>TOTAL LIABILITIES</b>	9,715,479	2,438,196	784,103	12,937,778	1,666,540
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	8,890,795	28,794	226,685	9,146,274	-
Restricted:					
Reserve for Restricted Fund	-	1,500,000	-	1,500,000	-
Reserve for Risk and Contingency	-	3,007,319	-	3,007,319	-
Reserve for Reinvestment	-	5,224,871	-	5,224,871	-
Unrestricted	6,647,994	-	342,882	6,990,876	(1,220,221)
<b>TOTAL NET ASSETS</b>	\$ 15,538,789	\$ 9,760,984	\$ 569,567	\$ 25,869,340	\$ (1,220,221)

The accompanying notes are an integral part of this financial statement.

**County of Beaver, Pennsylvania**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS**

**For the Year Ended December 31, 2006**

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Friendship Ridge	Health Choices	Non-Major Fund Emergency Services 911	Total	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 49,249,600	\$ 22,040,751	\$ 1,644,239	\$ 72,934,590	\$ 8,807,634
<b>OPERATING EXPENSES</b>					
Costs of Services	44,939,289	17,248,993	370,448	62,558,730	8,862,821
Administrative	2,378,830	3,387,267	1,195,411	6,961,508	672,515
Depreciation and Amortization	1,419,132	15,779	81,640	1,516,551	-
Total Operating Expenses	48,737,251	20,652,039	1,647,499	71,036,789	9,535,336
OPERATING INCOME (LOSS)	512,349	1,388,712	(3,260)	1,897,801	(727,702)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Debt Service Interest	(243,950)	-	-	(243,950)	-
Grant Income	1,660,497	-	-	1,660,497	-
Unrestricted Gifts	43,523	-	-	43,523	-
Investment Income	118,538	528,063	28,748	675,349	4,450
Total Non-Operating Revenues (Expenses)	1,578,608	528,063	28,748	2,135,419	4,450
Income (Loss) Before Transfers	2,090,957	1,916,775	25,488	4,033,220	(723,252)
Transfers Out	-	-	-	-	-
Transfers In	336,607	-	-	336,607	-
Change in net assets	2,427,564	1,916,775	25,488	4,369,827	(723,252)
Total net assets - beginning	13,111,225	7,844,209	544,079	21,499,513	(496,969)
<b>TOTAL NET ASSETS - ENDING</b>	<b>\$ 15,538,789</b>	<b>\$ 9,760,984</b>	<b>\$ 569,567</b>	<b>\$ 25,869,340</b>	<b>\$ (1,220,221)</b>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Non-Major Fund Emergency Services
<b>Cash Flows from Operating Activities:</b>			
Cash receipts for services provided	\$ 47,179,676	\$ 22,249,486	\$ 2,198,830
Other operating cash receipts	167,735	-	-
Cash payments to suppliers	(25,640,762)	(19,636,310)	(1,583,124)
Cash payments to employees	(21,690,983)	-	-
Internal activity-payments to other funds	-	-	-
Net Cash Provided by (Used in) Operating Activities	15,666	2,613,176	615,706
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Principal payments of long-term debt	(430,000)	564	-
Interest payments on long term debt	(302,425)	-	-
Expenses for property, facilities and equipment	(2,411,625)	-	(43,153)
Net Cash Provided by Financing Activities	(3,144,050)	564	(43,153)
<b>Cash Flows from Non-capital Financing Activities:</b>			
Transfers Out	(2,100,000)	-	-
Transfers In	2,173,635	-	-
Grants	1,660,497	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	1,734,132	-	-
<b>Cash Flows from Investing Activities:</b>			
Investment income	106,773	528,063	28,748
Net Cash Provided by Investing Activities	106,773	528,063	28,748
Net increase (decrease) in cash and cash equivalents	(1,287,479)	3,141,803	601,301
Cash and cash equivalents at beginning of year	1,821,264	8,677,599	360,365
Cash and cash equivalents at end of year	\$ 533,785	\$ 11,819,402	\$ 961,666
<b>Non-cash capital financing activities:</b>			
Change in fair value of investments	\$ -	\$ -	\$ -
In-kind transfers in	\$ 336,607	\$ -	\$ -

<u>Total</u>	<u>Internal Service Funds</u>
\$ 71,627,992	\$ 8,642,699
167,735	-
(46,860,196)	(9,112,301)
(21,690,983)	-
-	-
3,244,548	(469,602)
(429,436)	-
(302,425)	-
(2,454,778)	-
(3,186,639)	-
(2,100,000)	-
2,173,635	-
1,660,497	-
1,734,132	-
663,584	4,450
663,584	4,450
2,455,625	(465,152)
10,859,228	604,424
<u>\$ 13,314,853</u>	<u>\$ 139,272</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>

EXHIBIT A (PAGE 2 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

(Continued)

For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Non-Major Fund Emergency Services
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
Operating Income (loss)	\$ 512,349	\$ 1,388,712	\$ (3,260)
Non-cash adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,403,462	15,779	81,640
Amortization of deferred loss on refunding and discount	15,671	-	-
Transfer in from General Fund	336,607	-	-
Change in operating assets and liabilities:			
Accounts receivable and due from other funds	(1,785,301)	208,279	(38,587)
Inventories	(9,949)	-	-
Prepaid expenses	(9,123)	467,055	-
Accounts payable and due to other funds	172,381	7,367	(17,189)
Deferred credits	(36,001)	-	-
Accrued liabilities	(582,061)	525,984	-
Deferred income	(2,369)	-	593,102
Net Cash Provided by (Used in) Operating Activities	<u>\$ 15,666</u>	<u>\$ 2,613,176</u>	<u>\$ 615,706</u>

**Non-cash investing, capital, and financing activities:**

Friendship Ridge incurred long-term debt of \$290,000 to defease \$130,000 and \$135,000 of outstanding long-term debt maturities in 2006 and 2007, respectively. The refunding debt also pays for \$15,236 and \$4,050 in interest of the defeased maturities in 2006 and 2007, respectively.

Friendship Ridge entered into a capital lease amounting to \$4,311 for printing equipment during 2006 .

**Disclosure of Accounting Policy:**

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

<u>Total</u>	<u>Internal Service Funds</u>
\$ 1,897,801	\$ (727,702)
1,500,881	-
15,671	-
336,607	-
(1,615,609)	(201,612)
(9,949)	-
457,932	36,676
162,559	163,637
(36,001)	-
(56,077)	259,399
590,733	-
<u>\$ 3,244,548</u>	<u>\$ (469,602)</u>

**EXHIBIT A (PAGE 4 OF 4)**

The accompanying notes are an integral part of this financial statement.

**County of Beaver, Pennsylvania**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**December 31, 2006**

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,798,868	\$ 3,909,559
Investments:		
Common and Preferred Stocks	109,742,375	-
U.S. Government Obligations	38,118,406	280,674
Corporate Bonds	20,891,883	-
Interest in Limited Partnership	10,000,000	-
Interest in Common/Collective Trust	10,078,488	-
Due from other funds	-	-
Receivables:		
Interest and Dividends	829,766	8,461
	<u>195,459,786</u>	<u>4,198,694</u>
<b>TOTAL ASSETS</b>	<u>\$ 195,459,786</u>	<u>\$ 4,198,694</u>
<b>LIABILITIES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 4,172,145
Due to other funds	-	26,550
	<u>-</u>	<u>4,198,695</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>4,198,695</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	<u>195,459,786</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 195,459,786</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

For the Year Ended December 31, 2006

	Pension Trust Fund
<b>ADDITIONS:</b>	
Contributions:	
Member Contributions	\$ 4,420,900
County Contributions	<u>2,020,537</u>
Total Contributions	<u>6,441,437</u>
Net Investment Income:	
Net Appreciation in Fair Value of Investments	18,867,869
Interest and Dividends	<u>5,104,329</u>
Less: Investment Management and Actuarial Fees	<u>602,988</u>
Total Investment Income - net	<u>23,369,210</u>
Total	<u>29,810,647</u>
<b>DEDUCTIONS:</b>	
Benefits Paid	6,918,435
Administrative Expense	<u>113,471</u>
Total Deductions	<u>7,031,906</u>
Change in Net Assets	22,778,741
Net Assets - Beginning	<u>172,681,045</u>
Net Assets - Ending	<u>\$ 195,459,786</u>

The accompanying notes are an integral part of this financial statement.

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**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Beaver, Pennsylvania (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The significant accounting policies are described below.

**1. Organization and Reporting Entity**

The organization of the County and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The County was founded as a subdivision of the Commonwealth of Pennsylvania under Title XVI of the Pennsylvania Statutes. The County operates under the commissioner-administrator form of government and provides the following services as authorized by Pennsylvania's County Code: public safety, judicial, medical, human services, economic development, and culture and recreation.

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 14 and No. 39, the County has evaluated all related entities (authorities, commissions, and affiliates) for possible inclusion in the financial reporting entity.

**Discretely Presented Component Units**

The component unit columns in the government-wide financial statements include individual financial data for the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC). Financial information of these units is reported in separate columns to emphasize that they are legally separated from the County. They are component units because their boards are appointed by the County Commissioners and they receive significant operating subsidies from the County. Complete and more detailed financial statements can be obtained from:

Beaver County Transit Authority  
200 W. Washington Street  
Rochester, PA 15074

Community College of Beaver County  
Controller's Office  
One Campus Drive  
Monaca, PA 15061

The reporting period for BCTA and CCBC is as of and for the year ended June 30, 2006.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

1. **Organization and Reporting Entity** - Continued

Discretely Presented Component Units - Continued

Summary of Significant Accounting Policies for BCTA

General Policy - The BCTA prepares its financial statements on the basis of accounting prescribed or permitted by the Commonwealth of Pennsylvania and departments under its jurisdiction.

Basis of Accounting - The Authority accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expenditure is made. Grant revenues received or receivable before the revenue recognition criteria have been met are reported as unearned revenue. State free transit senior citizen general funds and passenger revenues are recorded when received. All other revenues are recognized when earned.

Assets are depreciated using the straight-line method over their estimated useful lives.

Summary of Significant Accounting Policies for CCBC

General Policy - Community College of Beaver County prepares its financial statements in accordance with generally accepted accounting principles for public colleges and universities as outlined by the GASB. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds," CCBC applies all GASB and Financial Accounting Standards Board (FASB) pronouncements, Accounting Principle Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. Interfund activity has been eliminated in the preparation of the financial statements.

Basis of Accounting

Assets are depreciated using the straight-line method over their estimated useful lives.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. Organization and Reporting Entity - Continued

Related Organizations

The Board of Commissioners is also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations include the:

- Beaver County Agricultural Land Preservation Board
- Beaver County Area Chamber of Commerce
- Beaver County Conservation District
- Beaver County Economic Development Authority
- Beaver County Hospital Authority
- Beaver County Housing Authority
- Beaver County Industrial Development Authority
- Beaver County Job Training
- Beaver County Redevelopment Authority
- Pennsylvania Finance Authority
- Southwestern Pennsylvania Commission
- Workforce Investment Board

2. Government-Wide Financial Statements and Fund Financial Statements

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service funds' activities are eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**2. Government-Wide Financial Statements and Fund Financial Statements - Continued**

Government-wide Statements- Continued

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financed or draws from the general revenues of the County. Certain indirect costs are included in the program expense reported for individual functions and activities.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

When both restricted and unrestricted resources are available for use, it is County policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each of them displayed in a separate column.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Government-Wide Financial Statements and Fund Financial Statements - Continued

Fund Financial Statements - Continued

The County reports the following major governmental funds:

*General Fund.* This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Mental Health / Mental Retardation.* This fund is responsible for serving the needs of the County's mentally or behaviorally challenged citizens.

*Children and Youth Services.* The purpose of this fund is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision, such as runaways.

*Community Development.* This fund accounts for the activities of the Community Development Program of Beaver County (CDP). The CDP's mission is two-fold: to improve the living conditions of low-income individuals and to aid in the elimination of slum and blight.

The County reports the following major enterprise funds:

*Friendship Ridge.* This is the enterprise fund for the County-owned facility that accommodates individuals in need of long-term health care.

*HealthChoices.* HealthChoices is a program sponsored by the Commonwealth of Pennsylvania and administered by the County to meet the needs of low income individuals with behavioral health problems.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Types

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the County are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by its assets, liabilities, fund equity, revenues, and expenditures or expenses. A description of the purpose and function of each type of fund presented in the accompanying financial statements follows.

GOVERNMENTAL FUND TYPES

The General Fund is used to account for all financial transactions not accounted for in the fund types listed below. This includes items such as the receipt and expenditure of the general tax levy and fees of general offices.

Special Revenue Funds are used to account for the proceeds from specific revenue sources or to finance special activities in accordance with statutory or administrative requirements. This includes designated revenues not included within other fund categories.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by proprietary fund types).

PROPRIETARY FUND TYPES

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Friendship Ridge, Emergency Services 911, and Beaver County HealthChoices Behavioral Health Program (HealthChoices) are recorded as enterprise funds.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

3. **Fund Types** - Continued

Internal Service Funds account for operations that provide services to other departments or agencies of the County on a cost reimbursement basis. The Risk Management Funds account for the employees' self-insured medical health benefits and workers' compensation claims of the County.

**FIDUCIARY FUND TYPES**

Fiduciary Funds are used by the County to account for assets held on behalf of outside parties or on behalf of other funds. These funds currently include the pension trust fund and agency funds.

The Pension Trust Fund is accounted for in essentially the same manner as a proprietary fund and it accounts for the activities of the Beaver County Employees' Pension Plan.

Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers, for Domestic Relations support payments and delinquent real estate tax payments (Tax Claims).

4. **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**4. Basis of Accounting and Measurement Focus - Continued**

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Available means expected to be collected within sixty days of year-end. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred except for compensated absences and financing costs / interest on general long-term debt, which is recorded when the payment is due.

The financial statements of agency and proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, all revenues are recorded when earned and expenses are recorded when the liability is incurred. As permitted by GASB Statement No. 20, the County applies all GASB pronouncements, as well as FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements, in accounting for its enterprise funds. An enterprise fund may choose to apply all FASB Statements and Interpretations issued after November 30, 1989 (except those that conflict with or contradict GASB pronouncements) or it may apply none of them. The County chose to apply only GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing revenues. The principal operating revenues of the County's proprietary funds are discussed in the next section. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

4. **Basis of Accounting and Measurement Focus** - Continued

The Pension Trust Fund and agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs provided by outside vendors are recorded when incurred, whereas costs for services provided by the County are not recorded on the financial statements of the Pension Trust Fund.

The Pension Trust Fund and agency funds' investments are reported at fair value. Investments traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Other investments are valued based on their liquidation amounts as estimated by the investment fund's management. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

5. **Revenues**

Property taxes collected by the Treasurer within sixty days subsequent to December 31 are recorded as revenue on the statement of revenues, expenditures, and changes in fund balances in the previous year ended.

Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the County is entitled to the grants. However, these grants are subject to audits and adjustments by grantor agencies. Grant revenues received for expenses, which are disallowed, are repayable to the grantor.

Revenue recognized by HealthChoices is based on the number of Medicaid members within the County at a contracted rate with Pennsylvania's Department of Public Welfare.

The receivable balances presented in the accompanying combined balance sheet are recorded at net realizable value.

Resident fees of Friendship Ridge are recognized in the period in which the services are provided.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

5. **Revenues** – Continued

A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health related benefit contracts with third parties. Such contracts generally provide Friendship Ridge with reimbursement at amounts other than Friendship Ridge's normal billing rates. Differences between amounts reimbursed and standard billing rates are adjusted through the provision for contractual allowances. Friendship Ridge may also receive incentive payments from state and federal programs. These payments are credited to the provision for contractual allowances when received.

6. **Deferred, Unavailable and Unearned Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as it is earned. Assets received on or prior to the financial statement date for which the revenue recognition requirements have not been met, are posted as unearned revenue on both the Statement of Net Assets and the governmental funds' balance sheet. Certain payments received by the County are considered unearned and not subject to revenue recognition under either the full or modified accrual basis. Other items reported as unearned revenue in the governmental funds' balance sheet are not recognized as revenue because they are not available to liquidate liabilities of the current period.

7. **Expenditures**

Capital asset purchases, relating to non-proprietary fund type assets, are included in current year expenditures in governmental funds and are capitalized in the government-wide Statement of Net Assets. Interest on non-proprietary fund debt is expensed on the Statement of Revenues, Expenditures, and Changes in Fund Balances when paid.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**8. Cash, Cash Equivalents, Restricted Cash, and Investments**

The County maintains numerous checking accounts for depositing receipts and disbursing expenditures for all governmental fund types. In addition, the County maintains several accounts in the Pennsylvania Local Government Investment Trust (PLGIT) and Pennsylvania Treasurer's Invest Program for Local Governments (Invest Program), which earn interest. Funds are transferred to PLGIT and Invest Program to utilize the surplus of cash, which would otherwise remain idle in the County's checking accounts. The balances maintained in these pooled investment accounts represent the individual interest of each representative fund in the pooled accounts and are recorded at cost, which approximates fair value.

Investments of the Pension Trust Fund are either stated at fair value as determined from prices available in public markets or at estimated liquidation value as determined by investment fund managers.

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents regardless of any restrictions.

The County uses derivative transactions for hedging and speculative purposes. Derivatives are exposed to several risks, such as credit risk (the risk of default by the counterparty), market risk (such as the possible adverse effect of a change in interest rates), and legal risk (exposure to an adverse determination concerning the legality of the transactions).

**9. Supplies**

Supplies of Friendship Ridge consist of expendable materials and other supplies and they are stated at cost determined by the first-in-first-out method.

**10. Prepaid Expenses**

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived. The prepaid expenses in the fund financial statements are recognized under the consumptions method and they consist primarily of prepaid MH/MR provider fees.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**11. Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide statement of net assets. All capital assets are recorded at cost, if known, or estimated historical cost. Donated capital assets are recorded at their fair market value on the date of donation. With the exception of enterprise funds, the County uses a threshold of \$2,000 for recording substantially all capital assets. Enterprise funds treat all items with an estimated useful life exceeding one year as capital assets. Depreciation on capital assets recorded in the government-wide Statement of Net Assets is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives for the County's classes of reported capital assets are as follows:

Vehicles	5 years
Buildings and Land Improvements	40 years
Furniture, Fixtures and Equipment	10 years
Computer Equipment	5 years
Infrastructure	50 years

Prior to the County's 2006 fiscal year, the County capitalized all public domain (infrastructure) capital assets placed in service or improved on or after January 1, 2002. During the year ended December 31, 2006, the County estimated all of its major infrastructure additions and improvements that took place on or after January 1, 1980, that have not been previously capitalized. The amount of major infrastructure assets, net of depreciation, that has been recorded, which was previously expensed, amounted to 16,085,322. This resulted in an adjustment of net assets at January 1, 2006.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives is not capitalized in the government-wide Statement of Net Assets or in the proprietary funds. Major renewals or betterments are capitalized as additions.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

11. **Capital Assets** – Continued

Depreciation of Enterprise Fund property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets.

12. **Compensated Absences**

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1 must be taken by December 31 of that same year. Therefore, the accrual in the government-wide Statement of Net Assets represents what was earned through December 31, 2006 granted on January 1, 2007.

Employees, excluding sheriff's deputies and jail guards, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave. Jail guards do not accrue sick time, rather, they are paid a lump sum in lieu of sick time twice a year. If sick leave is not used, it is paid to retirement-eligible employees upon retiring. Accumulated sick leave as of December 31, 2006, that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Assets under Non-current Liabilities because the amount estimated to be paid during 2007 was determined to be insignificant.

13. **Accrued Healthcare Costs**

HealthChoices establishes a liability for Received But Unpaid Claims (RBUC) and Claims Incurred But Not Received (IBNR). The RBUC is calculated by using a weighted average unit cost for claims received and entered into the claims' payment system that have yet to be paid. A total health care liability is also estimated for claims that have been incurred during 2006 that will be paid in the future. The IBNR is calculated as the difference between this total estimated liability less the RBUC liability. This total liability is reported as Accrued HealthChoices Program Costs on the government-wide Statement of Net Assets. These amounts are estimated by the County's third party specialists.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**14. Budgets**

Accrued healthcare costs of the Risk Management Funds are medical and workers' compensation self insurance claims that fall into the RBUC and IBNR categories described above. This liability is internally calculated based on claims history.

The County Board of Commissioners (Commissioners) annually adopts a formal budget for all of the Governmental Fund Types. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

The Controller submits the proposed budget to the Commissioners no less than 30 days prior to the adoption of the budget for the year beginning the following January 1. The proposed budget is adopted no later than December 31, with certain exceptions. Notice of the availability of the proposed budget for public inspection is made at least 20 days prior to the adoption of the final budget.

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including proceeds of any borrowing now or hereafter authorized by law. Appropriations lapse at year-end if not recorded in the financial statements.

Appropriated budgets are adopted and presented on a modified accrual basis consistent with GAAP by fund, by department and by line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries and supplies. This basis of accounting is the same as that used for the fund financial statements. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by fund and department, and management's level of control is at each line-item.

Formal budgetary review is employed as a management control during the year for the General Fund, Special Revenue Funds and the Capital Projects Funds. Budget amounts presented in the schedules and supplementary information accompanying the financial statements are as amended through December 31, 2006.



County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

15. Encumbrances

The governmental fund types use encumbrance accounting, under which purchase orders and other commitments are recorded. Open encumbrances are reported as reservations of fund balances at year-end and do not constitute expenditures or liabilities since the commitments will be honored, re-appropriated and added to each department's subsequent year's budget.

16. Net Assets

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2006, the County has met the equity requirement by maintaining \$1,500,000 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed 90 days of unpaid claims. The County has met this reserve by restricting \$2,730,817 of cash and investments. Draw-down of these funds requires approval of the Commonwealth.

The County may also, with approval of the Commonwealth, reserve earnings for reinvestment in services that are for the primary benefit of medical assistance recipients. The amount of this Reserve for Reinvestment is approximately \$5.2 million, all of which has been approved by the Commonwealth as of December 31, 2006. The County is currently devising and submitting reinvestment plans for the balance of the funds. The Commonwealth must approve the actual expenditure of these funds. All restrictions on net assets are imposed by laws or regulations of the Commonwealth.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

16. **Net Assets** - Continued

The internal service funds account for the self-insured employees' medical health as well as the workers' compensation expenses. The internal service funds' claims reimbursement rates have been revised over the years in an attempt to eliminate the following deficits:

December 31, 2002.	\$ 20,487
2003	900,270
2004	1,258,006
2005	496,969
2006	1,220,221

During 2006 the County increased the medical premium charged to participating funds to reduce its medical internal service fund deficit. These increases were still insufficient to cover this deficit. The workers' compensation deficit is due to claims incurred late in the year. The County does not keep reserves and therefore, larger than expected claims late in the year generated this deficit. Workers' compensation rates for 2007 were increased in attempt to eliminate this deficit.

17. **Pending Governmental Accounting Standards Board Pronouncements**

GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions," was issued by the GASB in June 2004. It establishes standards for the measurement, recognition, and other post-employment benefits expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. This statement is required to be implemented for periods beginning after December 15, 2006, and the County has not determined the impact, if any, it will have on the financial statements. Termination benefits associated with another post-employment benefit plan must be accounted for according to GASB Statement No. 47 and be implemented in conjunction with the provisions of GASB Statement No. 45. The GASB has also issued Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues." This statement provides guidance for accounting and disclosing certain exchanges of interests in expected cash flows from the collection of specific receivables or future revenues for immediate cash payments. This statement is effective for periods beginning after December 15, 2006.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**17. Pending Governmental Accounting Standards Board Pronouncements  
- Continued**

In November 2006, the GASB issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations." This statement addresses accounting and financial reporting for pollution (including contamination) remediation obligations which are obligations to address the current or potential detrimental effects of existing pollution by governments participating in pollution remediation activities such as site assessments and cleanups. This statement is to be implemented for periods beginning after December 15, 2007.

In May 2007, the GASB issued Statement No. 50, "Pension Disclosures - An Amendment of GASB Statements No. 25 and No. 27." The reporting changes required by this statement amend applicable note disclosure and required supplementary information by pension plans and by employers that provide pension benefits to conform with the GASB Statements No. 43 and No. 45. This statement is effective for periods beginning after June 15, 2007.

The County has not determined the impact, if any, the application of the aforementioned statements will have on the County's financial statements.

**18. Use of Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B - PROPERTY TAXES**

Property tax millage rates are set by a resolution of the Commissioners prior to January 1 of the current year, with certain exceptions. Taxes are payable in the beginning of the current fiscal year through April of the following fiscal year as approved by the Commissioners. After that date the properties are lienied and legal action is required to sell real property for tax proceeds.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE B - PROPERTY TAXES - (Continued)**

The County is permitted by the County Code to levy real property taxes up to a maximum of twenty-five mills on every dollar of adjusted valuation.

Property tax revenues for the year ended December 31, 2006 are recorded on the Statement of Activities net of discounts of \$566,308 and inclusive of penalties amounting to \$127,981. Property taxes receivable are stated net of allowance for uncollectible accounts. The balance in the allowance for uncollectible taxes is \$1,627,510 at December 31, 2006.

**NOTE C - CASH DEPOSITS AND INVESTMENTS**

Beaver County has not adopted a formal investment policy other than that pertaining to the Pension Trust Fund, however all investment decisions are based upon legally binding statutes enforced by the County code. Statutes allow the County to invest in the following:

- United States Treasury bills
- Short-term obligations of the United States Government or the Commonwealth of Pennsylvania
- Deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72
- Certificates of deposit limited to twenty per centum of capital and surplus if purchased from a commercial bank and limited to twenty per centum of assets minus liabilities if purchased from a savings and loan association, or other investments, collateralized by the aforementioned federal government securities

Pooled Investment Funds are managed by the PLGIT and the Invest Program. The fair value of the position in the PLGIT and the Invest Program is the same as the value of the pools' shares. An oversight committee headed by the Pennsylvania State Treasurer monitors the overall effectiveness of the Invest Program. PLGIT's Board of Trustees and its participants annually select an independent auditing firm to perform a financial audit of the Trust. The pools are composed of a diversified portfolio of short-term securities, such as obligations of the U.S. government, repurchase agreements and certificates of deposit collateralized with U.S. Treasury securities, and obligations of the U.S. Government.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that a government will not recover the funds it placed in the custody of a counterparty (such as if the counterparty would enter bankruptcy proceeding). The County does not have a formal deposit policy for custodial credit risk. At December 31, 2006, Beaver County's deposits, except for the Pension Trust Fund, were either insured or collateralized with assets held by the pledging bank's trust department and not in the County's name. At December 31, 2006, the bank balance of the County's cash deposits was approximately \$31,000,000, of which approximately \$500,000 was insured. The remaining uninsured bank balance was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits. The pledged assets must be equal to at least the total amount of the public deposits at the depository and may be on a pooled basis.

**Pension Trust Fund**

The County has a policy in place to define the types and the mix of investments that are commensurate with the goals of the Pension Trust Fund. The policy applies certain limitations on the amounts of domestic equities, international equities, fixed income investments, and cash equivalents that the fund may hold at any one time. All assets of the County's Pension Trust Fund, except those held by the limited partnership, were either insured or collateralized with assets held in the custodian's trust department.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund - Continued

As of December 31, 2006, the Pension Trust Fund's investments and cash deposits consist of:

Investments

Common and Preferred Stocks	\$109,742,375
Interest in Common/Collective Trust	10,078,488
Bonds and Notes:	
U.S. Government Notes	12,716,134
U.S. Government Bonds	955,227
U.S. Government Agency Bonds	24,447,045
Corporate Bonds	20,891,883
Interest in limited Partnership	<u>10,000,000</u>
Total Investments	188,831,152
Cash and Deposits	<u>5,798,868</u>
Total Cash Deposits and Investments	<u>\$194,630,020</u>

Credit risk is the risk that investments may not be recovered from the counterparty they are placed with due to bankruptcy, theft, or other occurrences. To mitigate this risk, the Beaver County Pension Trust Fund Investment Policy limits an investment in common stock in any one corporation to 5% of the total portfolio. For corporate bonds, the County's policy requires that bonds be rated at least "BBB" by the Standard and Poor's bond rating system.

Foreign currency risk is the risk that investments will lose value due to fluctuation of foreign currency exchange rates. All foreign equity investments are pooled investments managed by a single counterparty. As a result of the pooling of investments, the County does not own foreign securities but rather shares of the pooled investment fund.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)**

**Pension Trust Fund - Continued**

Investments in bonds and notes, and their respective weighted averages to maturity are as follows:

	<u>Amount at December 31, 2006</u>	<u>Weighted Average To Maturity (Years)</u>
U.S. Government Notes	\$12,716,134	9.57
U.S. Government Bonds	955,227	14.60
U.S. Government Agency Bonds	24,447,045	14.68
Corporate Bonds	<u>20,891,883</u>	<u>9.66</u>
Total	<u>\$59,010,289</u>	
Portfolio Weighted Average		<u>11.79</u>

The bond ratings given to corporate bonds, as determined by the Standard and Poor's bond rating system along with the amount invested by the Pension Trust Fund at December 31, 2006, are as follows:

<u>Bond Rating</u>	<u>Amount of Investment</u>
AAA	\$ 3,917,876
AA	1,012,877
AA-	2,716,698
AA+	88,850
A	6,393,549
A-	772,459
A+	4,635,173
BBB	469,820
BBB-	77,370
BBB+	<u>807,211</u>
Total	<u>\$ 20,891,883</u>

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)**

**Component Unit - BCTA**

At June 30, 2006, the BCTA's cash and cash equivalents had a bank balance of \$718,346 and a book balance of \$651,864.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits will not be returned. At June 30, 2006, the cash deposits of BCTA consist of:

Cash - FDIC insured	<u>\$100,000</u>
Collateralized by securities pledged to a pooled public funds account with the Federal Reserve	<u>618,346</u>
	<u>\$718,346</u>

The collateralization of funds displayed above is in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure state and municipal deposits.

**Component Unit - CCBC**

At June 30, 2006, the CCBC had a cash bank balance of \$5,006,846 and a corresponding book balance of \$4,397,352. The difference between the bank balance and the carrying value shown above represents year-end reconciling items such as deposits in transit and outstanding checks. In accordance with Act 72 of the Commonwealth of Pennsylvania, the above deposits of each of the College's depositories are collateralized by a pool of pledged assets that are maintained with the Federal Reserve System. In addition, the first \$100,000 held at each depository is insured through the Federal Deposit Insurance Corporation (FDIC).

The Community College of Beaver County Foundation's investments at June 30, 2006, are composed of the following:

	<u>Fair Value</u>
Corporate Bonds	\$110,267
Preferred Market Securities	31,215
Mutual Funds	44,373
Money Market Funds	<u>149,164</u>
	<u>\$335,019</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

**NOTE D - RECEIVABLES AND PAYABLES**

Receivables at December 31, 2006 were as follows:

	Accounts Receivable	Taxes	Due from Other Governments	Other	Total Receivables
<b>Governmental activities</b>					
General	\$ -	\$ 3,760,531	\$ 233,670	\$ 902,261	\$ 4,896,462
MH/MR	-	-	485,852	85,898	571,750
Children & Youth	-	-	1,818,006	6,741	1,824,747
Community Development	-	-	643,179	13,784	656,963
Other governmental	-	-	945,089	51,064	996,153
Worker's Comp Internal Service	-	-	-	65,698	65,698
Medical Internal Service	-	-	-	202,737	202,737
Allowance for doubtful accounts	-	3,760,531	4,125,796	1,328,183	9,214,510
<b>Total - Governmental activities</b>	-	(1,627,510)	-	-	(1,627,510)
		2,133,021	4,125,796	1,328,183	7,587,000
<b>Business-type activities</b>					
Friendship Ridge	\$10,482,052	\$ -	\$ -	\$ -	\$ 10,482,052
HealthChoices	18,891	-	-	-	18,891
Other proprietary	165,243	-	-	-	165,243
<b>Total - Business-type activities</b>	10,666,186	-	-	-	10,666,186
<b>Primary Government Total</b>	10,666,186	2,133,021	4,125,796	1,328,183	18,253,186
<b>Component Units</b>					
BCTA	\$ -	\$ -	\$ 3,259,780	\$ 9,891	\$ 3,269,671
CCBC	\$ -	\$ -	\$ 1,193,393	\$ 160,196	\$ 1,353,589

Payables at December 31, 2006, consisted of amounts due to vendors for goods and services provided to the County.



**NOTES TO BASIC FINANCIAL STATEMENTS**  
December 31, 2006 and June 30, 2006

NOTE E - INTERFUND BALANCES AND TRANSFERS

The County reports interfund balances among all of its funds. The balances for non-major governmental and business-type activities are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the Statements of Net Assets / balance sheet for governmental funds, and for proprietary funds. All interfund balances are expected to be repaid within one year.

	General Fund	Children & Youth	MH/MR	Community Development	Other Non-major Governmental	Health Choices	Other Non-major Business-Type	Total
General Fund	\$ -	\$ 873,601	\$ 103,988	\$ 12,030	\$ 592,648	\$ 14,583	\$ 239,663	\$ 1,836,514
Children & Youth	517,699	-	-	-	-	-	-	517,699
Other Non-major Governmental	24,870	-	-	150	2,681	-	-	27,701
MH/MR	480,591	-	-	-	-	-	-	480,591
Health Choices	19,733	-	-	-	-	-	-	19,733
Total	\$ 1,042,893	\$ 873,601	\$ 103,988	\$ 12,180	\$ 595,329	\$ 14,583	\$ 239,663	\$ 2,882,237

Children & Youth's balance due to the General Fund includes a quarterly administrative reimbursement of \$762,111 while the remaining \$111,490 is due to a time lag of payment dates between funds.

Included in the Other Non-major Governmental Funds column is a loan of \$32,000 to the Victim Witness Fund.

The amount due to Health Choices from the General Fund, of \$19,733, represents an amount of cash that the General Fund withdrew from HealthChoices to write a check that was subsequently voided. The money is now due back to HealthChoices.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)**

Other Non-major Business-type Fund transfers consist of \$162,806 due from the Emergency Services Fund for their fourth quarter salary expense reimbursement while the remaining \$76,857 is due to a time lag of payment dates between the Workers' Compensation Fund and the General Fund.

The amount due from the General Fund to the MH/MR Fund represents the remaining County match for 2006.

The amount due from the General Fund to Other Non-major Governmental Funds represents reimbursement to the 2005 Bond Fund for election equipment and computer software.

The \$2,681 represents a refund of an overpayment of a local share from the FAA Projects Fund to the 2005 Bond Fund.

All remaining balances resulted from the time lag of payment dates between funds.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)

*Interfund Transfers*

Interfund transfers for the year ended December 31, 2006, consisted of the following:

	Transfer from			Total
	General Fund	Stop Grant	1996 Bond Issue	
General Fund	\$ -	\$ 35,934	\$ 634	\$ 36,568
Friendship Ridge	336,607	-	-	336,607
Total	<u>\$ 336,607</u>	<u>\$ 35,934</u>	<u>\$ 634</u>	<u>\$ 373,175</u>

The \$336,607 transfer from the County's General Fund to Friendship Ridge consists of all indirect costs allocated to Friendship Ridge.

The \$35,934 represents the closing of the Stop Grant Fund, which is now being administered through the General Fund.

The \$634 represents the closing of the 1996 Bond Issue. Remaining funds were transferred to the General Fund.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2006 and June 30, 2006**

**NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT**

During 1996, the County contracted with an appraisal company to provide a detailed fixed asset listing that included acquisition cost and acquisition year. The dates of acquisition and acquisition costs were either furnished by the County or estimated using reverse-trending techniques applied against the estimate of current replacement cost. The actual or estimated historical cost determined by the appraisal and transactions that occurred subsequent to the appraisal are reported in the government-wide Statement of Net Assets.

Depreciation and amortization was charged to functions as follows:

Governmental activities:	
General Government	\$ 929,845
Judicial	213,855
Public Safety	675,123
Public Works and Enterprise	1,350,967
Culture, Recreation, and Conservation	230,890
Human Services	1,032,997
Economic Development	44,182
Total	<u>\$ 4,477,859</u>

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2006 and June 30, 2006**

**NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)**

The following is a summary of changes in capital assets for governmental activities during 2006:

	Balance at January 1, <u>2006</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, 2006
Not being depreciated:				
Land	\$ 1,874,354	\$ -	\$ -	\$ 1,874,354
Other capital assets:				
Buildings and Improvements	83,429,598	164,855	(459,742)	83,134,711
Vehicles	2,559,581	15,200	(218,621)	2,356,160
Furniture and Equipment	14,817,617	2,393,382	(2,880,255)	14,330,744
Infrastructure	<u>29,219,668</u>	<u>2,150,860</u>	<u>-</u>	<u>31,370,528</u>
	<u>130,026,464</u>	<u>4,724,297</u>	<u>(3,558,618)</u>	<u>131,192,143</u>
Accumulated Depreciation:				
Buildings and Improvements	(19,232,740)	(2,654,064)	352,628	(21,534,174)
Vehicles	(2,206,320)	(132,162)	218,621	(2,119,861)
Furniture and Equipment	(10,968,764)	(1,120,240)	2,851,434	(9,237,570)
Infrastructure	<u>(8,370,935)</u>	<u>(571,393)</u>	<u>-</u>	<u>(8,942,328)</u>
	<u>(40,778,759)</u>	<u>(4,477,859)</u>	<u>3,422,683</u>	<u>(41,833,933)</u>
Net other capital assets	<u>89,247,705</u>	<u>246,438</u>	<u>(135,934)</u>	<u>89,358,210</u>
Net capital assets	<u>\$91,122,059</u>	<u>\$ 246,438</u>	<u>\$ (135,934)</u>	<u>\$91,232,564</u>

The above assets as of December 31, 2006, include \$8,699,804 relating to capitalized leases and \$2,907,387 relating to accumulated amortization.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)**

Depreciation and amortization was charged to functions as follows:

Business-type activities:	
Friendship Ridge	\$ 1,403,462
HealthChoices	15,779
Emergency Services 911	<u>81,640</u>
Total	<u>\$ 1,500,881</u>

The following is a summary of changes in capital assets for business-type activities during 2006:

	Balance at January 1, 2006	Additions	Disposals	Balance at December 31, 2006
Not being depreciated:				
Land	\$ 42,075	\$ -	\$ -	\$ 42,075
Construction in Progress	<u>14,484</u>	<u>1,329,216</u>	<u>(1,343,700)</u>	<u>-</u>
	<u>56,559</u>	<u>1,329,216</u>	<u>(1,343,700)</u>	<u>42,075</u>
Other capital assets:				
Buildings and Improvements	12,180,561	1,951,925	-	14,132,486
Furniture and Equipment	<u>27,929,661</u>	<u>517,335</u>	<u>(109,912)</u>	<u>28,337,084</u>
	<u>40,110,222</u>	<u>2,469,260</u>	<u>(109,912)</u>	<u>42,469,570</u>
Accumulated Depreciation:				
Buildings and Improvements	(6,568,060)	(372,579)	-	(6,940,639)
Furniture and Equipment	<u>(20,828,461)</u>	<u>(1,128,300)</u>	<u>109,805</u>	<u>(21,846,956)</u>
	<u>(27,396,521)</u>	<u>(1,500,879)</u>	<u>109,805</u>	<u>(28,787,595)</u>
Net other capital assets	<u>12,713,701</u>	<u>968,381</u>	<u>(107)</u>	<u>13,681,975</u>
Net capital assets	<u>\$12,770,260</u>	<u>\$ 2,297,597</u>	<u>(\$1,343,807)</u>	<u>\$13,724,050</u>

Included under the caption depreciation and amortization in the Statement of Revenues, Expenses, and Changes in Net Assets, proprietary funds, is amortization by Friendship Ridge of capitalized bond financing costs.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)**

**Component Unit- BCTA**

The following is a summary of BCTA's property accounts as of June 30, 2006:

		<u>Estimated Useful Lives</u>
Land	\$ 3,286,121	N/A
Buildings and Improvements	14,189,722	30
Tangible Transit Operating Property	9,976,132	5 - 12
Furniture and Equipment	<u>1,138,097</u>	4 - 5
	28,590,072	
Less Accumulated Depreciation	<u>(10,077,465)</u>	
	<u>\$ 18,512,607</u>	

Depreciation expense for the year ended June 30, 2006, amounted to \$1,581,742.

**Component Unit - CCBC**

The following is a summary of CCBC's property accounts as of June 30, 2006:

		<u>Estimated Useful Lives</u>
Land	\$ 952,288	N/A
Buildings and Improvements	17,239,674	25-50
Furniture and Equipment	<u>5,778,818</u>	5-20
	23,970,780	
Less Accumulated Depreciation	<u>(15,450,259)</u>	
	<u>\$ 8,520,521</u>	

Depreciation expense for the year ended June 30, 2006, amounted to \$540,406.

## County of Beaver, Pennsylvania

### NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2006 and June 30, 2006

#### NOTE G - EMPLOYEE RETIREMENT PLAN

##### 1. Plan Description

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single-employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Cost-of-living adjustments are provided at the discretion of the Retirement Board.

The Plan is established, administered, and funded under the authority of the "County Pension Law," Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2007, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	524
Terminated employees not yet receiving benefits	45
	<u>569</u>
Active plan participants:	
Vested	1,048
Non-vested	380
	<u>1,428</u>

The Plan provides pension benefits for normal retirement at age 60 or at age 55 with 20 or more years of completed service based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. Early retirement is available at an earlier age as specified by the Plan. Members become vested after 5 years of service.

##### 2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions

The Plan requires participants to contribute a minimum of 9%, but not more than 19%, of their salary depending on the participant's employment class and wage, and on current actuarial determinations. All full-time employees and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the system.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)**

**2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued**

The Beaver County Employees' Retirement System funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2006 was determined as part of an actuarial valuation as of January 1, 2006, using the aggregate actuarial cost method. This actuarial method does not identify or separately amortize unfunded actuarial liabilities.

During December 2005, the County issued the Federally Taxable General Obligation Pension Bonds, Series of 2005, (see Note J) to reduce volatility of contributions for future pension contributions.

The annual pension cost and net pension obligation (asset) for the current year were as follows:

Annual required contribution	\$ 2,020,537
Interest on net pension obligation	(865,867)
Adjustment to the annual required contribution	<u>1,342,218</u>
Annual pension cost	2,496,888
Contributions made	<u>2,020,537</u>
Increase (decrease) in net pension obligation	476,351
Net pension obligation (asset), beginning of year	<u>(11,544,892)</u>
Net pension obligation (asset), end of year	<u><u>\$ (11,068,541)</u></u>

**Three-year Trend Information:**

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation (asset)</u>
December 31, 2006	\$2,496,888	81%	\$(11,068,541)
December 31, 2005	\$3,737,244	409%	\$(11,544,892)
December 31, 2004	\$3,652,159	100%	\$ -



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)**

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

The information presented above was determined as part of the actuarial valuations for the years indicated. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method	Aggregate actuarial
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase	3.50% in 2004; 3.75% in 2005; 4.00% in 2006
Inflation adjustment	3.0%
Cost-of-living adjustment	100.0% of CPI effective as of January 1, 2000

3. Reserves

Under Act 96 of 1971, the Plan is required to maintain the following reserves:

**Members Annuity Reserve Account:**

This reserve represents the total of contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2007, the balance in this account was \$57,385,914 and it was fully funded.

**County Annuity Reserve Account:**

This account represents the reserves set aside for the payment of the County's share of the retirement allowances. When a retirement annuity is scheduled to commence, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such an annuity. As of January 1, 2007, the balance in this account was \$59,390,912 and it was funded to the extent of the 2006 APC.

**Retired Members' Reserve Account:**

This is the account from which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2007, the balance in this account amounted to a fully funded \$41,047,496.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)**

**Component Unit - CCBC**

CCBC participates in a cost sharing defined benefit multiple-employer Public School Employees' Retirement System (PSERS) established under and administered by authority of the Public School Employees' Retirement Code Act No. 96 of October 2, 1975, as amended (24 Pa. C.S. 8101-8535). PSERS is a component unit of the Commonwealth of Pennsylvania. A brief summary of the plan's provisions are as follows:

- |                             |  |
|-----------------------------|--|
| <b>Pension Benefits-</b>    | Eligible participants are entitled to a normal retirement allowance totaling 2.5% of the participants' final average compensation, as defined, multiplied by the number of years of credited service. Full vesting is reached after 10 years of credited service. The plan provides for retirement, death and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. Early retirement is an additional feature of this plan. |
| <b>Retirement Age-</b>      | Participants may retire with normal benefits at age 62, age 60 with 30 or more years of service, or with 35 years of service regardless of age.  |
| <b>Death Benefits-</b>      | When a participant dies in active service after attaining age 62 or 10 years of service, the beneficiary is entitled to a death benefit equal to the benefit which would have been effective if the member retired on the day before death.  |
| <b>Disability Benefits-</b> | A participant who becomes disabled after completing 5 years of credited service is eligible for an annuity totaling 2.5% of the final average salary, as defined, multiplied by the number of years of credited service, but not less than one-third of such salary, nor greater than the benefit the member would have had at normal retirement age.  |

The employer and employee obligations to contribute are established by authority of the aforementioned Public School Employees' Retirement Code and require contributions by active members, participating employers, and the Commonwealth.

Contributions required of employers are based upon an actuarial valuation. For fiscal year ended June 30, 2006, the rate of employer contribution was 4.69% of covered payroll. This rate is comprised of a 0.69% rate for health insurance premium assistance and a pension rate of 4.00%. Pension expense for CCBC for the year ended June 30, 2006, totaled \$88,166 based on a total covered payroll of \$937,941.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)**

**Component Unit - CCBC - (Continued)**

Active members who joined the system prior to July 22, 1983, contribute at 5.25% (Member Class TC) or at 6.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001, contribute at 7.5% (automatic Member Class TD). CCBC employees contributed \$134,854 to the plan for the year ended June 30, 2006.

The PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information of the plan. A copy of the report may be obtained by writing to Barbara D. Flurie, Office of Financial Management and Budget, Public School Employees Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

**NOTE H - DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001 (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and permits them to defer a portion of their compensation until future years. The Plan's administrator is Standard Financial Group Inc., previously Invesmart of Pittsburgh Inc. For the year ended December 31, 2006, total employee contributions amounted to \$321,328. There were no employer contributions for this same period. Participation in the Plan is optional. The deferred compensation is not available for withdrawal until termination, retirement, death or an unforeseeable emergency. During 1997, the County placed all assets of the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE H – DEFERRED COMPENSATION PLAN - (Continued)**

**Component Unit – BCTA**

The BCTA maintains the Beaver County Transit Authority's Simplified Employees Pension Plan, a single-employer defined contribution plan. Plan provisions and contribution requirements are established and may be amended under provisions of Section 408 of the Internal Revenue Code. The BCTA is the plan's administrator and it agrees to contribute 9% of the participants' salaries, but not exceeding the federally mandated maximum for such a plan. All full-time employees, who earn at least \$400 in any three of the last five calendar years, are eligible to participate in the plan. Participants are not required to contribute to the plan. BCTA's contributions amounted to approximately \$92,025 for the year ended June 30, 2006. Plan assets are invested in a diversified portfolio that consists of debt and equity securities.

**Component Unit - CCBC**

CCBC established a Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), under Section 403 (b) of the Internal Revenue Code, for eligible employees. This TIAA-CREF is a single-employer defined contribution plan administered by CCBC. Under the plan, individual contracts are entered into for covered employees. Employees are fully vested, and the contract fully funded, in accordance with the terms of the contract. Employee contributions are 5% of covered compensation. Employer contributions vary according to compensation levels and the employees' position at CCBC. During the year ended June 30, 2006, CCBC contributed \$483,768 to this retirement plan.

**NOTE I – SHORT-TERM DEBT**

On January 2, 2006, the County entered into a tax revenue anticipation note agreement with a financial institution for the purpose of meeting current expenditures. The note provided for borrowings of \$7,000,000 bearing interest at an annual rate of 3.75%. From these proceeds, \$2,100,000 was transmitted to Friendship Ridge. This facility repaid the \$2,100,000 by February 24, 2006. All outstanding principal and accrued interest was satisfied by the General Fund prior to the note's maturity date of June 30, 2006.

Beginning Balance at			Ending Balance at
<u>January 1, 2006:</u>	<u>Borrowings:</u>	<u>Repayments:</u>	<u>December 31, 2006:</u>
\$-	7,000,000	(7,000,000)	\$-

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE I – SHORT-TERM DEBT – (Continued)**

**Component Unit - BCTA**

BCTA entered into a \$500,000 demand line of credit agreement with a financial institution on February 20, 2004. The terms of the agreement include interest payable monthly on the outstanding balance at a rate of 4%. BCTA has pledged certain federal and state grant proceeds as collateral for this obligation. There are no outstanding balances as of June 30, 2006.

**Component Unit - CCBC**

On July 28, 2004, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note outline two variable per annum rates of interest based in part on the London Interbank Offering Rate. The general revenues of CCBC serve as collateral on this note.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

**NOTE J - LONG-TERM LIABILITIES**

The following summarizes the long-term debt activity for the year ended December 31, 2006:

	Interest Rate	Issued	Maturity	Payable at January 1, 2006	Issuance	Retirements	Interest Accrued/ Amortization of Related Items	Payable at December 31, 2006
<u>Governmental Activities</u>								
<u>General Obligation</u>								
<u>Bonds:</u>								
Construction Fund	Varies	05/16/1986	09/01/2010	\$ 3,491,954	\$ -	\$ 860,000	\$ 265,805	\$ 2,897,759
1997 Bonds	4.00 - 5.30	10/15/1997	10/01/2026	60,270,000	-	2,145,000	-	58,125,000
Series A of 2003	1.15 - 2.15	07/01/2003	07/01/2008	3,135,492	-	1,100,000	23,457	2,058,949
Series A of 2005	2.50 - 4.25	07/28/2005	09/01/2025	3,125,000	-	300,000	-	2,825,000
Other general long-term liabilities:				70,022,446	-	4,405,000	289,262	65,906,708
Pennsylvania Finance Authority ("PFA") Series 2002 Bonds	2.50 - 5.10	02/01/2002	09/01/2022	3,875,000	-	3,875,000	-	-
Pension Bond of 2005	4.75 - 5.65	12/22/2005	12/15/2030	13,675,000	-	-	-	13,675,000
PFA Series A of 2005	3.75 - 5.60	05/27/2005	10/01/2029	3,240,000	-	75,000	-	3,165,000
PFA Series A of 2006	3.70 - 4.00	09/28/2006	10/01/2015	-	3,013,458	-	306	3,013,764

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE J - LONG-TERM LIABILITIES - (Continued)

	Interest Rate	Issued	Maturity	Payable at January 1, 2006	Issuance	Retirements	Interest Accrued	Payable at December 31, 2006
Other general long-term Liabilities (Continued):								
PFA Series B of 2006	5.25 - 5.40	09/28/2006	10/01/2015	-	2,023,911	-	383	2,024,294
PFA 2006 Bonds	3.45 - 4.00	10/15/2006	9/1/2022	-	3,824,030	-	1,742	3,825,772
Total Governmental Activities				\$ 90,812,446	\$ 8,861,399	\$ 8,355,000	\$ 291,693	\$ 91,610,538
Business-type Activities								
General Obligation Bonds:								
Series of 1998	3.45 - 4.25	11/15/1998	01/15/2013	\$ 3,838,028	\$ -	\$ 430,000	\$ 16,496	\$ 3,424,524
Series B of 2003	1.15 - 3.20	07/01/2003	07/01/2013	1,144,012	-	265,000	128	\$ 879,140
				4,982,040	-	695,000	16,624	4,303,664
Other general long-term liabilities:								
PFA Series A of 2006	3.70 - 4.00	09/28/2006	10/01/2015	-	290,000	-	-	290,000
Total Business-type Activities				\$ 4,982,040	\$ 290,000	\$ 695,000	\$ 16,624	\$ 4,593,664

Note: The General Obligation Bonds issued May 1986 are stated at their present value of required future payments.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The following is a brief description of the outstanding debt issues of the County:

In May of 1986, the County issued \$16,270,000 of General Obligation Bonds, Series of 1986, for the purpose of funding capital projects. Of this total amount, \$7,670,000 borne interest at rates ranging from 4.75% to 7.5% and was paid over the period from 1986 until it was advance-refunded in 1993. The remaining part of this series, in the amount of \$8,600,000, was issued as zero coupon bonds, yielding a principal amount of \$1,980,674. This series is being retired in semi-annual payments of \$430,000, which started in 2001 and will continue through 2010. The discount rate on the zero coupon bonds was determined at the time of issue, ranging from 7.678% to 7.955%. The interest discount rate on the zero coupon bonds outstanding at December 31, 2006, ranges from 7.683% to 7.942%.

The General Obligation Bonds, Series of 1996, are considered to be legally defeased. Trust account assets and liabilities for these defeased bonds are not included in the accompanying financial statements. At December 31, 2006, \$50,000 of these bonds are outstanding.

In 1997, the County issued \$61,060,000 of General Obligation Bonds, Series of 1997 (the "1997 Bonds"), for the purpose of refunding the General Obligation Bonds, Series of 1996. These bonds mature in various lots from 1999 through 2026, payable annually. Interest is paid semi-annually at rates ranging from 4.0% to 5.3%.

In November of 1998, the County issued \$6,250,000 of General Obligation Bonds, Refunding Series of 1998, for the purpose of refunding the General Obligation Bonds, Series of 1996, Geriatric Center (a series distinct from the Series of 1996 mentioned above). None of this defeased debt remains outstanding. These bonds mature annually in various lots through 2013. Interest is paid semi-annually at rates ranging from 3.45% to 4.25%. The advance refunding resulted in a reacquisition price that exceeded the net carrying amount of the defeased debt by \$247,446. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being expensed through maturity using the straight-line method.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

During February of 2002, the County entered into a loan agreement with the Pennsylvania Finance Authority (the "PFA"), to borrow \$4,325,000 for the purpose of building a parking garage adjacent to the Courthouse. The County's payments under this loan agreement match the debt service requirements on the PFA's Guaranteed Revenue Bonds, Series B of 2002, of which the County is a guarantor. These bonds mature in annual lots starting in 2003 through 2022 and bear interest at ranges starting at 2.50% through 5.10%. Effective October 15, 2006, this loan agreement with the PFA has been amended for a total of \$3,980,000. This loan agreement pays the PFA's obligation under its Guaranteed Revenue Bonds, Series B of 2006 (the "PFA 2006 Bonds"), which is guaranteed by the County. This transaction resulted in the in-substance defeasance of the long-term debt issue undertaken with the PFA in 2002, creating an economic gain of \$387,886. Cash outflows to service the debt under the PFA 2006 Bonds are \$69,308 less than the remaining debt service payments under the 2002 loan. Interest on the new loan with the PFA is payable semiannually at a rate that varies according to the terms of the agreement between 3.45% and 4.00%. Principal is payable annually starting in 2007 and ending on September 1, 2022. This loan is depicted on the schedule of long-term debt activity above at December 31, 2006, at \$3,825,772. This amount is reported as a non-current liability on the Statement of Net Assets, governmental activities, and the difference between its carrying amount and the outstanding face value, consists of unamortized original issue discount and deferred loss on refunding. Defeased principal still outstanding at December 31, 2006, under the PFA's Guaranteed Revenue Bonds, Series B of 2002, amounts to \$3,715,000.

During 2003, the County issued \$5,375,000, with a discount of \$10,737, in General Obligation Bonds, Refunding Notes, Series A of 2003, with interest rates ranging from 1.15% to 2.15% to, in part, advance a \$5,020,000 refund of the outstanding General Obligation Bonds, Refunding Series A of 1993. Proceeds of \$5,132,414 were deposited in an escrow account to provide for the future debt service of the Refunding Series A of 1993, which was called as of October 2003. As a result of this advance refunding, the County increased its debt service by \$89,789. However the County did obtain an economic gain, which is the difference between the present values of the old and new debt service payments of \$172,677.

During 2003, the County issued \$1,405,000 of General Obligation Bonds, Series B of 2003, with interest rates ranging from 1.15 % to 3.20%, to fund capital projects at Friendship Ridge. These bonds mature in annual lots from 2003 through 2013. Bonds maturing after October 1, 2008, can be redeemed at par plus accrued interest at the option of the County. These bonds were also issued at a minor discount which is being amortized on a straight-line basis.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The County entered into a loan agreement with the PFA on May 27, 2005, in the amount of \$3,240,000. The majority of these proceeds were granted to a local performing arts center for construction. The County's payments under this loan agreement equal the debt service requirements on the PFA's Federal Taxable Guaranteed Revenue Bonds, Series A of 2005, of which the County is a guarantor. The interest rates range from 3.75% through 5.60%. Mandatory bond sinking fund requirements for certain principal redemptions take effect starting in 2008. Effective October 1, 2015, and thereafter, the County has the right to extinguish any or all debt outstanding through this loan agreement with the PFA.

On July 28, 2005, the County issued \$3,125,000 in General Obligation Bonds, Series A of 2005, to finance various capital projects planned by the County. Interest is payable semi-annually at coupon rates varying between 2.50% and 4.25%. The bonds mature in installments starting in 2006 and ending in 2025. Principal payments range from \$300,000 to \$815,000. An optional redemption feature is included for bonds maturing on or after September 1, 2010. Mandatory bond sinking fund redemptions are required for certain maturities due on or after September 1, 2016.

On December 22, 2005, the County issued \$13,675,000 of Federally Taxable General Obligation Pension Bonds, Series of 2005, with the intent of reducing volatility in annual required contributions to the County's retirement system. The proceeds of these bonds, net of issuance costs and discounts, were contributed to the County retirement system's trust fund. Interest is payable semi-annually in a range of rates between 4.75% and 5.65%. Principal matures in installments starting in 2007 and throughout 2030. Principal payments range from \$320,000 to \$4,530,000. Mandatory bond sinking fund requirements take place for principal maturities after December 25, 2015.

During September 2006, the County entered into a loan agreement with the PFA for \$5,360,000. Net proceeds of this loan were used for a combination of current and advance refundings that resulted in an in-substance defeasance of the following portions of long-term debt previously recorded by the County:

<u>Debt Issue</u>	<u>Amount Refunded</u>	<u>Recorded in:</u>
1997 Bonds	\$2,145,000	Governmental Activities
Series A of 2003	1,100,000	Governmental Activities
Series B of 2003	265,000	Business-type Activities

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The refunding also satisfies payments of \$1,607,285 in current interest costs and \$106,870 in future interest costs associated with the defeased debt. The County's payments under this loan agreement equal the debt service requirements on the PFA's County of Beaver Guaranteed Revenue Bonds, Series A of 2006 (the "PFA Series A of 2006"), as well as the PFA's Federally Taxable County of Beaver Guaranteed Revenue Bonds, Series B of 2006 (the "PFA Series B of 2006"), in addition to periodic charges in terms of bond administration fees. The County guarantees payments under both series issued by the PFA. The interest rates for this loan range from 3.70% to 5.40%. The transaction defeasing the maturities presented above resulted in increased debt service payments for the County of \$1,739,428 and an economic loss of \$284,531. As of December 31, 2006, all but \$1,435,000 of the defeased debt remains outstanding. This loan is depicted on the table of long-term debt activity above at December 31, 2006, as PFA Series A of 2006 for \$3,013,764, PFA Series B of 2006 for \$2,024,294, and PFA Series A of 2006 for \$290,000. These amounts are all reported as liabilities on the Statement of Net Assets and the Statement of Net Assets - Proprietary Funds - as applicable. The difference between the reported amount and the face value of the outstanding debt consists of unamortized original issue discount and deferred loss (or gain) on refunding.

Except for pension bonds, refunding, and advance refunding debt issues, all bonds were issued with the purpose of funding construction and capital improvements.

Changes in the rate of interest payable on the various outstanding bonds are determined by the applicable bond indentures.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The following schedule presents the principal amount of each long-term debt issue due within one year of the date of these financial statements:

Governmental activities:

Construction Fund	\$ 860,000
1997 Bonds	210,000
Series A of 2003	1,120,000
Series A of 2005	320,000
Pension Bond of 2005	320,000
PFA Series A of 2005	80,000
PFA Series A of 2006	-
PFA Series B of 2006	-
PFA 2006 Bonds	<u>50,000</u>
Total	<u>3,060,000</u>

Business-type activities:

Series of 1998	445,000
Series B of 2003	-
PFA Series A of 2006	<u>-</u>
Total	<u>445,000</u>

Total Primary Government \$ 3,505,000

The aggregate amount of debt service requirements during the next five years and thereafter is as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 3,060,000	\$ 4,195,957	\$ 445,000	\$ 163,810	\$ 3,505,000	\$ 4,359,767
2008	3,500,000	4,150,202	605,000	145,610	4,105,000	4,295,812
2009	3,595,000	4,107,911	625,000	122,994	4,220,000	4,230,905
2010	3,725,000	4,037,138	650,000	98,527	4,375,000	4,135,665
2011	3,855,000	3,903,264	675,000	72,653	4,530,000	3,975,917
2012-2016	22,630,000	16,785,146	1,710,000	71,091	24,340,000	16,856,237
2017-2021	24,005,000	11,342,462	-	-	24,005,000	11,342,462
2022-2026	23,635,000	4,577,640	-	-	23,635,000	4,577,640
2027-2031	<u>4,375,000</u>	<u>614,334</u>	<u>-</u>	<u>-</u>	<u>4,375,000</u>	<u>614,334</u>
	92,380,000	53,714,054	4,710,000	674,685	97,090,000	54,388,739
Unamortized Interest	(542,241)	542,241	-	-	(542,241)	542,241
Deferred loss/discounts	<u>(227,221)</u>	<u>227,221</u>	<u>(116,336)</u>	<u>116,336</u>	<u>343,557</u>	<u>343,557</u>
	<u>\$91,610,538</u>	<u>\$54,483,516</u>	<u>\$4,593,664</u>	<u>\$791,021</u>	<u>\$ 96,204,202</u>	<u>\$55,274,537</u>

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The following summarizes other long-term obligation activity for the year ended December 31, 2006:

	Payable at January 1, 2006	Increase	Retirement	Payable at December 31, 2006	Due Within One Year
Governmental activities:					
Capital lease obligations	\$ 8,246,796	\$ -	\$ 242,029	\$ 8,004,767	\$ 184,109
Compensated absences	385,414	72,488	3,339	454,563	45,000
Early termination benefits	439,295	137,485	142,966	433,814	188,680
Swaption	1,511,500	-	1,511,500	-	-
Basis Cap	1,360,000	-	1,360,000	-	-
2006 Swap Agreement	-	11,654,416	-	11,654,416	361,666
	<u>11,943,005</u>	<u>11,864,389</u>	<u>3,259,834</u>	<u>20,547,560</u>	<u>779,455</u>
Business-type activities:					
Capital lease obligation	147,213	4,311	2,024	149,500	32,640
Early termination benefits	<u>307,170</u>	<u>-</u>	<u>129,170</u>	<u>178,000</u>	<u>178,000</u>
	<u>454,383</u>	<u>4,311</u>	<u>131,194</u>	<u>327,500</u>	<u>210,640</u>
Total County-wide	<u>\$12,397,388</u>	<u>\$ 11,868,700</u>	<u>\$ 3,391,028</u>	<u>\$ 20,875,060</u>	<u>\$ 990,095</u>

Typically, long-term liabilities reported by governmental activities, other than those arising from the issuance of bonds or other long-term debt agreements, are liquidated by the funds incurring such liabilities.

All debt refundings, excluding the one refunding the capital lease obligation described below, are recorded on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - as follows:

Issuance of refunding debt (other financing sources)	\$ 9,050,000
Original issue discount (other financing uses)	(62,368)
Debt issuance costs (expenditures)	<u>(309,351)</u>
Payment to refunded debt escrow agent (other financing uses)	<u>\$ (8,678,281)</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006

NOTE J - LONG-TERM LIABILITIES - (Continued)

Additionally, \$290,000 of the refunding debt was used to defease \$265,000 in principal and \$19,286 in current and future interest costs. This debt was recorded at face value as bonds payable in the Statement of Net Assets, Proprietary Funds. Issuance costs amounted to \$11,201 and they were recorded as other assets on the Statement of Net Assets. Cash deposited in trust to defease debt amounted to \$278,799.

*Capital Lease Obligations*

The County has recorded the following assets in the government-wide Statement of Net Assets under capital lease obligations:

	Governmental Activities	Business-type Activities
Land	\$ 392,984	\$ -
Buildings	8,306,820	-
Equipment	-	177,342

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's human services agencies. These agencies occupied this building beginning in 2003. Construction of this building was financed by the PFA's issue of \$7,865,000 of Guaranteed Lease Revenue Bonds, Series A of 2002. The County is the guarantor of this bond issue and the minimum lease payments over the 342-month term amount to \$14,983,759, which is the amount required for the debt service on the PFA bond. The monthly payment under this lease amounts to \$43,812. The County shall have the right to acquire title to the property for no additional consideration at the earlier of the expiration of the lease or when the bond issue related to the financing of this building is no longer outstanding. This lease agreement was amended effective October 15, 2006, as a consequence of the refunding of the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002. The amended lease payments cover the debt service of the PFA's \$7,995,000 issue of the Guaranteed Lease Revenue Bonds, Series A of 2006, which the County guarantees.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The outstanding balance of this capital lease obligation at December 31, 2006, is \$7,254,328, which is depicted on the schedule of minimum lease payments below. This amount is recorded as a non-current liability in the Statement of Net Assets, governmental activities. The difference between the recorded amount and the face value of the issued debt consists of retired maturities on the lease and an amount treated as future interest costs when accounting for capital leases. The agreement also requires the County to pay for bond maintenance fees, real estate taxes, and other miscellaneous lease-related charges. Defeased principal still outstanding at December 31, 2006, under the PFA's Guaranteed Lease Revenue Bonds, Series A of 2002, amounts to \$7,340,000.

A second lease agreement was entered into in 2002 between the County and the City of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. Remaining lease payments as of December 31, 2006, amount to approximately \$632,000 for a term ranging through September 2026. Payments under this lease are due quarterly at \$8,000 each. The building's title transfers to the County upon expiration of the lease at no additional cost.

A land lease for the aforementioned buildings is in effect with the PFA. The lease calls for monthly payments through September 2026, amounting to a total of \$568,800 remaining as of December 31, 2006. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

On May 15, 2005, the County entered into an agreement of lease and sublease with the PFA for a building known as the Conservation Building. The agreement provides for the County to receive \$700,000 from the PFA as a prepayment of its lease obligation. The agreement further provides for the County to sublease the Conservation Building from the PFA. As of December 31, 2006, the remaining minimum lease payments under the sublease amount to \$1,408,505, payable in semiannual installments amounting to between \$2,006 and \$77,006. Any or all payments due on or after October 2015 may be prepaid at the option of the County. In addition, the County has leased this facility to another party. This transaction was recorded by the County as a disposal. Payments under this lease approximate the PFA's debt service requirements on its Federally Taxable Guaranteed Revenue Bonds, Series B of 2005. The County guarantees the payment of this bond issue.

Beginning in 2005, Friendship Ridge began leasing digital reproduction equipment for a five-year term. A bargain purchase option is available to the County at the end of the lease term. Minimum lease payments as of December 31, 2006, amount to \$172,583, which have monthly installments of \$3,586.

The County leased certain equipment for the operation of its Emergency Services 9-1-1 Center. A bargain purchase option was exercised in 2005, when the term of the lease expired. Though the lease was paid off in 2003, the lease provided that the County may use the equipment for an additional two years for a nominal service fee. The amortization expense for the year was \$53,668.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The following schedule summarizes future minimum lease payments due.

	<u>Governmental Activities</u>				<u>Business-type Activities</u>	
	<u>Human Services Building</u>	<u>Land</u>	<u>Community Development Building</u>	<u>Total Minimum Lease Payments</u>	<u>Office Equipment</u>	<u>Total Minimum Lease Payments</u>
2007	\$ 521,040	\$ 28,800	\$ 32,000	\$ 581,840	\$ 43,026	\$ 624,866
2008	521,040	28,800	32,000	581,840	43,026	624,866
2009	521,040	28,800	32,000	581,840	43,026	624,866
2010	521,040	28,800	32,000	581,840	39,988	621,828
2011	521,040	28,800	32,000	581,840	3,517	585,357
2012-2016	2,605,205	144,000	160,000	2,909,205	-	2,909,205
2017-2021	2,605,205	144,000	160,000	2,909,205	-	2,909,205
2022-2026	2,605,205	136,800	152,000	2,894,005	-	2,894,005
2027-2031	<u>2,431,523</u>	<u>-</u>	<u>-</u>	<u>2,431,523</u>	<u>-</u>	<u>2,431,523</u>
Totals	12,852,338	568,800	632,000	14,053,138	172,583	14,225,721
Less:						
Amount representing interest costs	<u>(5,598,010)</u>	<u>(212,866)</u>	<u>(237,495)</u>	<u>(6,048,371)</u>	<u>(23,083)</u>	<u>(6,071,454)</u>
Present value	<u>\$7,254,328</u>	<u>\$355,934</u>	<u>\$ 394,505</u>	<u>\$ 8,004,767</u>	<u>\$ 149,500</u>	<u>\$8,154,267</u>

The interest rates used to calculate the amount representing interest costs were obtained from the individual lease agreements. The interest rate for Governmental activities is 4.45% and for Business-type activities it is 7.94%.

Minimum lease payments due within one year are reported as follows in the government-wide Statement of Net Assets:

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

	<u>Human Services Building</u>	<u>Land</u>	<u>Community Development Building</u>	<u>Total Government Activities</u>	<u>Business-type Activities</u>	<u>Total County-wide</u>
2007	\$521,041	\$ 28,800	\$ 32,000	\$ 581,841	\$ 43,026	\$ 624,867
Less: Amount representing interest costs	<u>(360,028)</u>	<u>(17,828)</u>	<u>(19,877)</u>	<u>(397,733)</u>	<u>(10,386)</u>	<u>(408,119)</u>
Present value	<u>\$161,013</u>	<u>\$ 10,972</u>	<u>\$ 12,123</u>	<u>\$ 184,108</u>	<u>\$ 32,640</u>	<u>\$ 216,748</u>

*Swaption*

The County has entered into a contract that provides a counterparty the right to refund the 1997 Bonds between October 1, 2007 and October 1, 2009. In exchange for the County's right to refund the 1997 Bonds, the County received \$1,511,500 ("Swaption") in December 2002, which it recorded as a non-current liability in the Statement of Net Assets. The transaction was initiated because the County estimated the financial outcome was more favorable than under the original terms of the 1997 Bonds. The Swaption was terminated effective September 14, 2006, as further described below.

*Basis Cap*

During September 2004, the County received \$1,360,000 (net of \$255,000 in fees) from a counterparty as part of an agreement for a financial instrument known as "Basis Cap." The agreement provides for the County to pay certain amounts every month if a prescribed relationship between two interest rate indices takes place. Payments, if any are due, would start no sooner than October 1, 2007, and would end no later than the date the last principal installment payment on the 1997 Bonds is made. The Basis Cap was terminated effective September 14, 2006, as further described below.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

During September 2006, the County entered into an agreement with a counterparty that terminated the Swaption and the Basis Cap and replaced them with an interest rate management plan that extends over the life of the 1997 Bonds. Under this agreement (the "2006 Swap Agreement"), the County agreed to:

- Terminate the Swaption and the Basis Cap.
- Refund the total outstanding principal under the 1997 Bonds as of October 1, 2007, at a variable interest rate.
- Pay a counterparty interest at a rate of 5.24% per annum on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, on a monthly basis.
- Receive interest at a variable rate based on the Bond Market Association Municipal Swap Index (the "BMA"), from a counterparty on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, calculated at a yearly basis and payable monthly, as further described in the 2006 Swap Agreement.
- Pay a counterparty interest at a variable rate based on the BMA on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, calculated at a yearly basis and payable monthly, as further described in the 2006 Swap Agreement.
- Receive interest at a variable rate based on the International Swaps and Derivatives Association, Inc. Swap Rate (the "ISDA"), from a counterparty on the outstanding 1997 Bonds until the original maturity of the 1997 Bonds, calculated at a yearly basis and payable monthly.

The 2006 Swap Agreement is stated at fair value, calculated using the zero-coupon method. The amount recognized on the Statement of Activities for the Swaption, the Basis Cap, and the 2006 Swap Agreement is recorded as an investment loss and it amounts to \$8,782,916. Most of this loss is recognized as a result of the exchange transaction that records the 2006 Swap Agreement as a non-current liability on the accompanying Statement of Net Assets. Termination payments under certain conditions may be required by either party to the agreement.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

The following schedule summarizes the components of the disclosures of the non-current liabilities on the government-wide Statement of Net Assets:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Due within one year:		
Long-term debt	\$ 3,060,000	\$ 45,000
Obligations under capital lease	184,109	32,640
Compensated absences	45,000	-
Early termination benefits	188,680	178,000
2006 Swap agreement	361,666	-
Total	<u>\$ 3,839,455</u>	<u>\$ 655,640</u>
Due in more than one year:		
Long-term debt	\$ 88,550,538	\$4,148,664
Obligations under capital lease	7,820,658	116,860
Compensated absences	409,563	-
Early termination benefits	245,134	-
2006 Swap agreement	11,292,750	-
Total	<u>\$ 108,318,643</u>	<u>\$ 4,265,524</u>

**Component Unit - CCBC**

In February of 1998, the Pennsylvania Finance Authority (PFA) issued \$9,195,000 in PFA Revenue Bonds, Series of 1998. In connection with the issuance of these bonds, the PFA entered into a loan agreement with CCBC for the purpose of refinancing the prior loan agreement with the PFA, based on the PFA Revenue Bonds, Series A of 1994, and to fund certain expenditures. The loan agreement called for PFA to loan the proceeds of the bonds to CCBC and for CCBC to make payments equal to the debt service requirements of the bonds. The bonds mature in annual lots through 2020 with the lots bearing interest at rates ranging from 3.60% to 4.875%. Interest is payable semi-annually. The bonds can be redeemed early at the option of the PFA.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE J - LONG-TERM LIABILITIES - (Continued)**

**Component Unit - CCBC - Continued**

As is the case with the current agreement, CCBC was responsible for the debt service on the PFA Revenue Bonds, Series A of 1994, under the prior loan agreement. Once the PFA advance refunded these bonds by depositing the proceeds of the PFA Revenue Bonds, Series of 1998, into an irrevocable trust to provide for the debt service on the Series A of 1994, this series, and hence the 1994 loan agreement, were considered to be defeased. In accordance with GASB Statement 23, "Accounting and Reporting for Refunding of Debt for Proprietary Activities," the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the Statement of Net Assets and amortized over the shorter of the term of the refunding issue or refunded bonds. CCBC incurred a deferred refunding loss of \$569,680, which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2006, CCBC amortized \$26,092 of this loss.

On July 28, 2003, CCBC borrowed \$310,000 in the form of a Term Loan Note in order to finance the purchase of a Radar Simulator. The terms of the note call for the monthly payment of principal and interest of \$5,605 for a period of five years at an interest rate of 3.25%. The note is scheduled to mature on July 28, 2008. The equipment purchased serves as collateral on the note.

CCBC is the lessee for various equipment and facilities. All of these leases are of the operating type. Payments are due monthly. Total lease expense for the year ended June 30, 2006, amounted to \$328,758.

On August 30, 2005, CCBC signed a \$600,000 promissory note obligation with a commercial lender. Principal and interest on this note are due annually every October 1, for five years at \$129,727 per installment. The interest rate is fixed at 4.05%.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE K - CONTINGENCIES**

The County participates in a number of federal and state assisted grant programs. These grants are generally subject to program compliance audits by the grantors. Such audits could result in expenditures being disallowed and funds being due back to the grantor agencies. The amount of expenditures that may be disallowed in the future, if any, cannot be determined at this time.

The County is a party to claims and other legal proceedings. Such claims and other legal proceedings include, but are not limited to, employment, civil right, personal injury matters, and failure to develop a stormwater management plan. Management has provided for certain matters, where considered necessary, in the financial statements. For other claims, management is of the opinion that these matters will not have a material effect on the County's financial position.

**Component Unit - BCTA**

The BCTA's state and federally funded programs are subject to audit by various governmental agencies. The BCTA is potentially liable for any expenditures disallowed by the results of these audits. Management is not aware of any items of non-compliance which would result in the disallowance of program expenditures.

**Component Unit - CCBC**

CCBC's state and federally funded programs are subject to audit by various governmental agencies. The College is potentially liable for any expenditure disallowed by the results of these audits. The Commonwealth of Pennsylvania's Office of Labor, Education and Community Services conducts annual audits of CCBC's Claim for Subsidy Reimbursement submitted annually to the Commonwealth. On September 6, 2006, CCBC received a draft of the results of the audit for the year ended June 30, 2004. The result of this audit reflects a balance due and owing the Commonwealth of Pennsylvania totaling \$20,220. Management is currently reviewing the audit findings and preparing a formal response. Management is not aware of any additional items of non-compliance which would result in the disallowance of program expenditures.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE K - CONTINGENCIES - (Continued)**

**Component Unit - CCBC - Continued**

CCBC is potentially liable for any costs of program non-compliance not covered by commercial insurance, incurred by its Police Technology Program as a result of a program audit conducted by the Commonwealth of Pennsylvania. CCBC recorded an initial estimated liability of \$150,000 during the 2003-2004 fiscal year to cover these potential costs. As of June 30, 2006, the remaining portion of this estimated liability was \$143,822.

**NOTE L - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, use of owned vehicles, natural disasters, as well as from losses from workers' compensable accidents, and the employee health benefit programs.

**Property/Casualty Exposures**

The County is a member of Pennsylvania Counties Risk Pool (PCoRP) which provides insurance coverage for general liability, law enforcement liability, property loss, vehicle usage, boiler and machinery loss, and crime. There have been no significant changes in coverage in the past three years and settled claims have not exceeded the coverage provided in those years.

The coverage excludes general liability and professional medical malpractice related to Friendship Ridge, and general liability related to the County Airport. The County has made other arrangements for those exposures.

PCoRP is a public entity pool exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property/casualty self-insurer and it provides coverage through its self-insured retention fund of claims less than \$350,000. PCoRP purchases excess coverage for claims over that threshold up to a maximum limit of \$5,000,000 for liability, replacement value for property loss, and \$600,000 for crime. Members pay premiums to cover the costs of claims administration, excess insurance, and safety and loss control services. The premium is adjusted annually to reflect both the costs of excess insurance and the most recent five-year claim experience for members.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2006 and June 30, 2006**

**NOTE L - RISK MANAGEMENT - (Continued)**

**Professional Medical Malpractice and General Liability at Friendship Ridge**

Beaver County has chosen to self-fund these exposures and, after receiving permission from the Pennsylvania State Insurance Department, has created a formal self-funded program consistent with the requirements of Medical Care Availability and Reduction of Error (MCARE) regulations. The County is responsible for the first \$500,000 of any medical malpractice claim, with the next \$500,000 of protection afforded through the Pennsylvania Insurance Department MCARE Fund. General liability claims are completely self-insured.

**Airport Exposures**

Beaver County purchases an Airport Liability and a Hangerkeepers Liability policy.

**Workers' Compensation**

Beaver County purchased a large-deductible insurance program from a commercial insurer beginning on January 1, 2004. The County is responsible for the first \$350,000 of any individual claim and the first \$3,000,000 in aggregate annual claim expenses. The limit of policy coverage is defined by Pennsylvania Statute and it includes limits of \$100,000 of employer's liability for any individual claim and \$500,000 aggregate for the annual policy period.

Prior to 2004, the County purchased workers' compensation insurance from Pennsylvania Counties Workers Compensation Fund (PCoMP), a public entity fund operated and sponsored by the County Commissioners Association of Pennsylvania.



**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE L - RISK MANAGEMENT - (Continued)**

**Employee Health Benefit**

The County has elected to self-fund the employee health and drug prescription employee benefit. Under the program, the County's third-party administrators pay all claims for medical, maintenance prescriptions, and emergency prescriptions. The County reimburses the administrators for all claims and pays administrative charges to each based on membership and/or utilization. The County is responsible for the first \$100,000 of medical claims for any member each year and has purchased stop-loss insurance to provide individual protections above this attachment point. The policy also includes an additional amount of \$1,000,000 of annual aggregate coverage above an attachment point of \$17,199,210. During 2007, the County increased its attachment points for both individual and aggregate claims to \$125,000 and \$17,571,857, respectively.

Changes in the estimate of the self-insured claims liability are as follows:

	<u>Beaver County</u>	<u>Friendship Ridge</u>
Liability balance - January 1, 2005	\$ 896,370	\$ 973,218
Incurred claims and estimates	8,052,629	3,448,627
Less:		
Claims paid during period	<u>7,944,999</u>	<u>3,494,671</u>
Liability balance - December 31, 2005	1,004,000	927,174
Incurred claims and estimates	9,468,397	2,938,649
Less:		
Claims paid during period	<u>9,208,999</u>	<u>3,291,853</u>
Liability balance - December 31, 2006	<u>\$ 1,263,398</u>	<u>\$ 573,970</u>

**Risk Accounting**

The County has created an internal service fund within which transactions related to the self-funded workers' compensation program and the self-funded employee health benefit programs are recorded. Revenues to cover expenditures for each program are generated by an internal charge, based on either payroll by class or membership, applied to all operating funds, excluding Friendship Ridge. Friendship Ridge operates its risk programs, including the self-funded general liability and professional medical malpractice program, as separate lines within its operating budget.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE L - RISK MANAGEMENT - (Continued)**

**Risk Accounting** - Continued

During 2006, the internal service fund for both medical and workers' compensation had expenditures in excess of revenues of \$157,973 and \$565,279, respectively.

**Component Unit - BCTA**

The Beaver County Transit Authority is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**Component Unit - CCBC**

CCBC is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**NOTE M - CHANGE IN BEGINNING NET ASSETS**

**Balance Sheet - Governmental Funds**

The fund balance of the General Fund as of January 1, 2006, decreased by \$60,540 from what was previously reported to reflect changes in fund classification of the Tourist Promotion Agency and Register of Wills Automation Fund. For financial statement presentation these operations were eliminated from the General Fund and reported as separate Special Revenue Funds.

The fund balances of Other Non-Major Funds as of January 1, 2006, was increased by \$271,173 to reflect changes in fund classification of several funds. The two funds described above, were removed from the General Fund and reported as Special Revenue Funds causing an adjustment of \$60,540. In addition, the Recorder of Deeds Improvement Fund, Prothonatary Automation Fund, and Clerk of Courts Automation were reported as Agency Funds in the past and are now presented as Special Revenue Funds. This resulted in a change of \$210,633.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE M - CHANGE IN BEGINNING NET ASSETS - (Continued)**

**Statement of Net Assets**

Pursuant to GASB Statement No. 34, all major infrastructure additions and improvements that took place on or after January 1, 1980, and prior to January 1, 2002, were recorded net of depreciation in 2006. This resulted in an adjustment of net assets at January 1, 2006, of \$16,085,322. Additionally, several agency funds were reclassified as Special Revenue Funds in the 2006 financial statements resulting in a change of beginning net assets of \$210,633.

**NOTE N - COMMITMENTS**

At December 31, 2006, the County had two open letters of credit with a value totaling \$1,750,000, to cover excess costs of workers' compensation claims if needed. Interest rates on these letters range from 3.68% to 5.78%. At December 31, 2006, none of the letters had been drawn.

Beaver County has open commitments for normal operations and construction projects of approximately \$1,300,000 as of December 31, 2006. Of this amount, approximately \$1,200,000 is for the Fallston Bridge Project.

Subsequent to December 31, 2006, the County entered into an agreement to guarantee two of CCBC's loans. This is further described in Note O to the financial statements.

**NOTE O - SUBSEQUENT EVENTS**

The County issued a Tax and Revenue Anticipation Note (TRAN) on January 2, 2007, in advance of property tax collections, depositing the \$8,000,000 proceeds into the General Fund, of which \$2,100,000 was transmitted to Friendship Ridge. This facility repaid the \$2,100,000 by February 24, 2007, without incurring its share of interest. The TRAN was fully redeemed by April 10, 2007.

**County of Beaver, Pennsylvania**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2006 and June 30, 2006**

**NOTE O – SUBSEQUENT EVENTS – (Continued)**

During the County's 2007 budget preparation, the County noticed a need to increase funding sources and/or decrease its expenditures and/or obligations. The County made expenditure reductions during 2004 and through 2006. In addition, the County is exploring other funding sources which may be required during the remainder of 2007 to satisfy its remaining obligations, including debt service payments and pension obligations. Such funding sources may include borrowing from banks and/or the disposal of certain property of the County. County management believes that the County will be able to implement its plans and satisfy its obligations on a timely basis. Further, future cost reductions may occur to reduce the County's future cash requirements.

On March 22, 2007, the County's Board of Commissioners approved two loan agreements for the benefit of CCBC. Both agreements are with the PFA, which issued bonds to fund capital improvements and a refunding of certain long term debt issued by CCBC. One is for \$14,500,000 and the second is for \$500,000. The County guarantees payment of the PFA's bonds.

## **REQUIRED SUPPLEMENTAL INFORMATION**

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**County of Beaver, Pennsylvania**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
December 31, 2006**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage of Annual Required Contribution Recognized in Plan Assets for that Year</u>
December 31, 2006	\$ 2,020,537	100%
December 31, 2005	\$ 3,737,244	409%
December 31, 2004	\$ 3,652,159	100%
December 31, 2003	\$ 3,325,708	100%
December 31, 2002	\$ 1,468,601	100%
December 31, 2001	\$ -	N/A

The information presented above was determined as part of the actuarial valuations performed on January 1 of each of the years ended as indicated above. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method:	Aggregate actuarial
Asset valuation method:	Five-year smoothed market
Actuarial assumptions:	
Inflation adjustment:	3%
Investment rate of return:	7.5% for 2001 - 2006
Projected salary increase:	4.50% for 2001, 3.00% for 2002, 3.25% for 2003, 3.50% for 2004; 3.75% for 2005; 4.00% for 2006
Cost-of-living adjustment:	100% of CPI effective as of January 1, 2000

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND**

**For the Year Ended December 31, 2006**

	<u>Budgeted Amount</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>REVENUES</b>				
Real Estate Taxes	\$ 36,195,387	\$ 36,195,387	\$ 35,752,456	\$ (442,931)
Licenses and Permits	70,300	69,500	71,623	2,123
Interest and Rents	364,100	364,100	426,813	62,713
Intergovernmental Revenues	10,786,307	11,319,946	8,959,283	(2,360,663)
Departmental Earnings	7,153,625	7,171,815	7,010,775	(161,040)
Miscellaneous	1,307,487	1,313,025	1,069,146	(243,879)
<b>TOTAL REVENUES</b>	<u>55,877,206</u>	<u>56,433,773</u>	<u>53,290,097</u>	<u>(3,143,676)</u>
<b>EXPENDITURES</b>				
Current				
General Government	13,820,946	15,658,281	13,325,804	(2,332,477)
Judicial	10,482,407	10,359,472	9,875,645	(483,827)
Public Safety	11,211,131	12,908,619	12,486,535	(422,084)
Public Works and Enterprises	3,204,591	3,263,631	3,055,634	(207,997)
Culture, Recreation and Conservation	2,614,203	2,710,942	2,479,111	(231,831)
Intergovernmental				
Human Services	7,656,694	7,578,759	7,378,616	(200,143)
Debt Service				
Principal	2,270,000	1,132,568	1,132,235	(333)
Interest	3,927,307	2,105,253	2,104,965	(288)
Refunding Bond Issue Costs	-	-	309,351	309,351
Capital Outlay				
Fixed Asset Acquisition and Improvements	2,161,985	2,145,108	1,878,833	(266,275)
Infrastructure	21,900	21,900	18,196	(3,704)
<b>TOTAL EXPENDITURES</b>	<u>57,371,164</u>	<u>57,884,533</u>	<u>54,044,924</u>	<u>(3,839,609)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,493,958)	(1,450,760)	(754,828)	695,932
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Debt	-	-	9,050,000	9,050,000
Proceeds from Disposal of Capital Asset	-	-	-	-
Original Issue Discount	-	-	(62,369)	(62,369)
Payment to Refunded Debt Escrow Agent	-	-	(8,678,280)	(8,678,280)
Transfers From Other Funds	-	-	36,568	36,568
Transfers to Other Funds	-	-	(336,607)	(336,607)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>9,312</u>	<u>9,312</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,493,958)	(1,450,760)	(745,515)	705,245
Fund Balance - Beginning	1,493,958	1,491,008	603,069	(887,939)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 40,248</u>	<u>\$ (142,447)</u>	<u>\$ (182,695)</u>



**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
MENTAL HEALTH / MENTAL RETARDATION  
For the Year Ended December 31, 2006**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Over (Under)</b>
<b>Revenues</b>				
Intergovernmental	\$ 31,558,000	\$ 31,723,256	\$ 32,535,472	\$ 812,216
Departmental Earnings	1,138,000	1,138,000	937,484	(200,516)
Interest	85,000	85,000	248,958	163,958
Miscellaneous	90,000	90,000	89,496	(504)
Total Revenues	<u>32,871,000</u>	<u>33,036,256</u>	<u>33,811,410</u>	<u>775,154</u>
<b>Expenditures</b>				
Salaries & Benefits	4,075,941	4,099,168	3,728,024	(371,144)
Personnel Expense	24,300	29,400	20,588	(8,812)
Consultant/Contracted Svcs.	182,000	968,076	925,834	(42,242)
Sub Contracted Services	24,902,390	28,317,094	27,620,566	(696,528)
Occupancy	97,700	173,112	153,121	(19,991)
Communication	133,000	155,700	56,866	(98,834)
Supplies & Minor Equip.	155,000	167,751	77,407	(90,344)
Transportation	22,000	102,000	59,907	(42,093)
Other Expenditures	285,414	243,429	229,211	(14,218)
Capital Outlay	122,000	161,000	38,326	(122,674)
Total Expenditures	<u>29,999,745</u>	<u>34,416,730</u>	<u>32,909,851</u>	<u>(1,506,879)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,871,255	(1,380,474)	901,559	2,282,033
Fund Balance - Beginning	<u>2,937,121</u>	<u>2,937,121</u>	<u>115,975</u>	<u>(2,821,146)</u>
Fund Balance - Ending	<u>\$ 5,808,376</u>	<u>\$ 1,556,647</u>	<u>\$ 1,017,534</u>	<u>\$ (539,113)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
CHILDREN AND YOUTH**

**For the Year Ended December 31, 2006**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<b>Revenues</b>				
Intergovernmental	\$ 13,884,238.	\$ 13,921,320	\$ 10,277,254	\$ (3,644,066)
Departmental Earnings	201,000	201,000	197,456	(3,544)
Interest	54,000	54,000	128,024	74,024
Total Revenues	<u>14,139,238</u>	<u>14,176,320</u>	<u>10,602,734</u>	<u>(3,573,586)</u>
<b>Expenditures</b>				
Salaries & Benefits	4,157,287	4,175,012	3,796,347	(378,665)
Personnel Expense	64,500	59,500	24,060	(35,440)
Consultant/Contracted Svcs.	856,500	814,219	503,539	(310,680)
Sub Contracted Services	5,314,000	5,325,996	2,844,895	(2,481,102)
Occupancy	318,000	318,000	245,407	(72,593)
Communication	204,250	212,695	82,351	(130,344)
Supplies & Minor Equip.	459,500	458,538	192,469	(266,069)
Transportation	122,000	122,000	103,284	(18,716)
Other Expenditures	3,608,230	3,590,898	2,576,812	(1,014,086)
Contra Revenue Account	2,000	39,082	37,620	(1,462)
Capital Outlay	222,096	194,171	13,357	(180,814)
Total Expenditures	<u>15,328,363</u>	<u>15,310,111</u>	<u>10,420,141</u>	<u>(4,889,970)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,189,125)	(1,133,791)	182,593	1,316,384
Fund Balance - Beginning	<u>1,732,520</u>	<u>1,732,520</u>	<u>497,972</u>	<u>(1,234,548)</u>
Fund Balance - Ending	<u>\$ 543,395</u>	<u>\$ 598,729</u>	<u>\$ 680,565</u>	<u>\$ 81,836</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT**

**For the Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Revenues				
Intergovernmental	\$ 7,855,768	\$ 7,865,463	\$ 7,135,563	\$ (729,900)
Departmental Earnings	610,000	610,000	429,784	(180,216)
Interest	32,550	32,550	220,455	187,905
Total Revenues	<u>8,498,318</u>	<u>8,508,013</u>	<u>7,785,802</u>	<u>(722,211)</u>
Expenditures				
Salaries & Benefits	441,454	496,677	426,889	(69,788)
Personnel Expense	8,562	12,482	6,896	(5,586)
Consultant/Contracted Svcs.	12,442,984	12,349,209	6,689,615	(5,659,594)
Occupancy	40,126	44,073	30,029	(14,044)
Communication	6,500	29,776	17,486	(12,290)
Supplies & Minor Equip.	34,000	55,113	24,964	(30,149)
Transportation	8,000	9,401	8,228	(1,173)
Debt Payments	720,729	720,729	720,728	(1)
Other Expenditures	102,035	102,035	66,096	(35,939)
Contra Revenue Account	-	-	9,435	9,435
Capital Outlay	50,000	54,430	-	(54,430)
Total Expenditures	<u>13,854,390</u>	<u>13,873,925</u>	<u>8,000,366</u>	<u>(5,873,559)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(5,356,072)	(5,365,912)	(214,564)	5,151,348
Fund Balance - January 1, 2006	<u>5,370,936</u>	<u>5,380,936</u>	<u>1,298,510</u>	<u>(4,082,426)</u>
Fund Balance - December 31, 2006	<u>\$ 14,864</u>	<u>\$ 15,024</u>	<u>\$ 1,083,946</u>	<u>\$ 1,068,922</u>

**County of Beaver, Pennsylvania**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2006**

**NOTE A - BASIS OF BUDGETING**

Appropriated budgets are adopted on a modified accrual basis consistent with generally accepted accounting principles by fund, department and line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries, and supplies. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by management at each line-item.

## **OTHER SUPPLEMENTAL INFORMATION**

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**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
<b>Commissioners</b>				
Salaries & Benefits	\$ 517,889	\$ 534,101	\$ 517,310	\$ (16,791)
Personnel Expense	300	800	686	(114)
Occupancy	226	313	312	(1)
Communication	5,400	6,400	3,895	(2,505)
Supplies & Minor Equipment	2,300	2,700	2,700	-
Transportation	11,500	11,500	8,819	(2,681)
Consultant/Contracted Services	60,000	60,300	60,294	(6)
Other Expenses	2,700	5,140	3,876	(1,264)
Total Expenditures	<u>600,315</u>	<u>621,254</u>	<u>597,892</u>	<u>(23,362)</u>
<b>Controller</b>				
Salaries & Benefits	781,465	784,959	759,460	(25,499)
Personnel Expense	3,200	3,584	3,369	(215)
Occupancy	2,704	2,704	2,394	(310)
Communication	3,900	4,112	1,686	(2,426)
Supplies & Minor Equipment	8,600	8,378	5,897	(2,481)
Transportation	6,500	6,500	2,848	(3,652)
Other Expenses	4,200	4,200	786	(3,415)
Total Expenditures	<u>810,569</u>	<u>814,437</u>	<u>776,439</u>	<u>(37,999)</u>
<b>Treasurer</b>				
Salaries & Benefits	452,348	482,450	463,874	(18,576)
Personnel Expense	800	600	600	-
Occupancy	3,831	3,831	3,463	(368)
Communication	59,150	68,789	68,201	(588)
Supplies & Minor Equipment	25,040	19,641	18,617	(1,024)
Transportation	3,500	2,700	2,695	(5)
Other Expenses	16,000	16,700	14,338	(2,362)
Tax Refunds	173,000	303,478	258,928	(44,550)
Total Expenditures	<u>733,669</u>	<u>898,189</u>	<u>830,716</u>	<u>(67,473)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>Recorder Of Deeds</b>				
Salaries & Benefits	\$ 476,733	\$ 484,100	\$ 467,884	\$ (16,216)
Personnel Expense	1,500	1,500	1,259	(241)
Occupancy	3,380	3,380	2,961	(419)
Communication	3,300	3,300	2,033	(1,267)
Supplies & Minor Equipment	27,500	27,500	18,433	(9,067)
Transportation	2,500	2,500	1,914	(586)
Contracted Services	35,000	42,382	27,782	(14,600)
Other Expenses	100	100	-	(100)
Total Expenditures	<u>550,013</u>	<u>564,762</u>	<u>522,267</u>	<u>(42,495)</u>
<b>Solicitor</b>				
Salaries & Benefits	203,414	251,031	195,690	(55,341)
Personnel Expense	2,000	2,625	2,606	(19)
Occupancy	226	226	189	(37)
Communication	440	565	480	(85)
Supplies & Minor Equipment	2,045	3,020	2,785	(235)
Transportation	1,500	3,675	3,061	(614)
Other Expenses	100	100	60	(40)
Total Expenditures	<u>209,725</u>	<u>261,242</u>	<u>204,872</u>	<u>(56,370)</u>
<b>Employee Relations</b>				
Salaries & Benefits	540,431	298,737	219,699	(79,038)
Personnel Expense	61,042	52,444	48,180	(4,264)
Occupancy	902	424	343	(81)
Communication	1,200	2,085	2,084	(1)
Supplies & Minor Equipment	1,870	2,540	2,489	(51)
Transportation	500	14	14	-
Consultant/Contracted	146,000	157,982	157,417	(565)
Total Expenditures	<u>751,945</u>	<u>514,226</u>	<u>430,227</u>	<u>(83,999)</u>



**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>Microfilm</b>				
Salaries & Benefits	\$ 272,369	\$ 287,121	\$ 267,258	\$ (19,863)
Occupancy	2,100	2,100	2,000	(100)
Communication	40	40	32	(8)
Supplies & Minor Equipment	31,700	32,800	30,749	(2,051)
Transportation	180	180	-	(180)
Consultant/Contracted Services	5,500	5,500	5,302	(198)
Other Expenses	11,000	12,500	12,498	(2)
<b>Total Expenditures</b>	<b>322,889</b>	<b>340,241</b>	<b>317,839</b>	<b>(22,402)</b>
<b>Information Technology</b>				
Salaries & Benefits	768,240	662,310	417,816	(244,494)
Personnel Expense	7,500	8,000	7,965	(35)
Occupancy	226	66	66	-
Communication	33,400	49,600	42,772	(6,828)
Supplies & Minor Equipment	72,900	125,811	86,253	(39,558)
Transportation	5,000	3,200	2,833	(367)
Consultant/Contracted Services	52,500	49,374	38,725	(10,650)
<b>Total Expenditures</b>	<b>939,766</b>	<b>898,361</b>	<b>596,429</b>	<b>(301,932)</b>
<b>Central Services Department</b>				
Salaries & Benefits	164,871	165,487	151,198	(14,289)
Personnel Expense	450	575	397	(178)
Occupancy	113	113	95	(18)
Communication	6,120	6,180	(10,643)	(16,823)
Supplies & Minor Equipment	17,750	17,580	13,094	(4,486)
Transportation	50	50	-	(50)
Consultant/Contracted Services	20,000	20,000	7,746	(12,254)
Other Expenses	300	285	218	(67)
<b>Total Expenditures</b>	<b>209,654</b>	<b>210,270</b>	<b>162,103</b>	<b>(48,167)</b>
<b>Planning Commission</b>				
Salaries & Benefits	357,952	362,485	350,810	(11,675)
Personnel Expense	700	700	262	(438)
Occupancy	902	902	880	(22)
Communication	4,850	4,750	2,129	(2,621)
Supplies & Minor Equipment	6,800	7,100	6,876	(224)
Transportation	7,000	7,000	5,861	(1,139)
Contracted Services	232,108	52,269	51,867	(402)
Other Expenses	2,500	2,300	1,669	(631)
<b>Total Expenditures</b>	<b>612,812</b>	<b>437,506</b>	<b>420,353</b>	<b>(17,153)</b>

**EXHIBIT B (PAGE 3 OF 18)**

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>Weights And Measures</b>				
Salaries & Benefits	\$ 35,920	\$ 47,986	\$ 45,649	\$ (2,337)
Communication	50	70	70	-
Supplies & Minor Equipment	400	400	361	(39)
Transportation	6,500	6,500	6,495	(5)
<b>Total Expenditures</b>	<b>42,870</b>	<b>54,956</b>	<b>52,576</b>	<b>(2,380)</b>
<b>Veterans Affairs</b>				
Salaries & Benefits	179,753	182,620	177,895	(4,725)
Personnel Expense	850	922	901	(21)
Communication	4,100	4,056	3,970	(86)
Supplies & Minor Equipment	2,400	3,402	2,866	(536)
Transportation	2,000	1,350	1,318	(32)
Other Expenses	116,000	115,150	115,096	(54)
<b>Total Expenditures</b>	<b>305,103</b>	<b>307,500</b>	<b>302,046</b>	<b>(5,454)</b>
<b>Election Bureau</b>				
Salaries & Benefits	271,934	286,809	264,391	(22,418)
Personnel Expense	600	600	541	(59)
Occupancy	22,113	22,113	20,250	(1,863)
Communication	49,900	47,800	31,074	(16,726)
Supplies & Minor Equipment	9,000	9,600	8,801	(799)
Transportation	2,000	2,000	595	(1,405)
Other Expenses	229,962	360,171	325,439	(34,732)
<b>Total Expenditures</b>	<b>585,509</b>	<b>729,093</b>	<b>651,090</b>	<b>(78,003)</b>
<b>Assessment/Tax Claim</b>				
Salaries & Benefits	1,006,656	1,000,429	976,163	(24,266)
Personnel Expense	11,000	13,235	11,767	(1,468)
Occupancy	2,930	2,930	2,460	(470)
Communication	190,500	198,630	195,948	(2,682)
Supplies & Minor Equipment	29,500	29,500	22,230	(7,270)
Transportation	23,500	23,500	20,384	(3,116)
Consultant/Contracted Services	4,000	4,000	-	(4,000)
Other Expenses	83,000	72,635	66,413	(6,222)
<b>Total Expenditures</b>	<b>1,351,086</b>	<b>1,344,859</b>	<b>1,295,364</b>	<b>(49,495)</b>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>Public Defender</b>				
Salaries & Benefits	\$ 905,073	\$ 885,856	\$ 811,317	\$ (74,539)
Personnel Expense	4,400	4,810	4,640	(170)
Occupancy	676	866	620	(246)
Communication	800	800	423	(377)
Supplies & Minor Equipment	9,900	9,060	7,213	(1,847)
Transportation	11,500	12,700	11,829	(871)
Other Expenses	44,500	52,072	51,981	(91)
<b>Total Expenditures</b>	<b>976,849</b>	<b>966,164</b>	<b>888,024</b>	<b>(78,140)</b>
<b>General Government/ Internal Administration</b>				
Anticipated Expense Reduction	(1,776,145)	-	-	-
Contra Revenue Accounts	5,000,000	5,000,000	3,812,500	(1,187,500)
Personnel Expense	67,000	77,800	71,800	(6,000)
Occupancy	3,100	3,152	3,152	-
Consultant/Contracted Services	501,000	565,978	358,878	(207,100)
Other Expenses	85,212	8,727	4,745	(3,982)
<b>Total Expenditures</b>	<b>3,880,167</b>	<b>5,655,657</b>	<b>4,251,075</b>	<b>(1,404,582)</b>
<b>Miscellaneous</b>				
Insurance	\$ 677,437	\$ 922,752	\$ 921,153	\$ (1,599)
Bank charges	83,568	84,123	82,003	(2,120)
Indirect cost study	12,000	12,000	12,000	-
Other expenses	165,000	20,689	11,336	(9,353)
<b>Total expenditures</b>	<b>938,005</b>	<b>1,039,564</b>	<b>1,026,492</b>	<b>(13,072)</b>
<b>Total General Government</b>	<b>\$13,820,946</b>	<b>\$ 15,658,281</b>	<b>\$13,325,804</b>	<b>\$ (2,332,477)</b>

**County of Beaver, Pennsylvania**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>JUDICIAL</b>				
<b>Clerk Of Courts</b>				
Salaries & Benefits	\$ 572,855	\$ 572,231	\$ 568,678	\$ (3,553)
Personnel Expense	20,000	20,000	14,334	(5,666)
Occupancy	3,606	3,606	3,150	(456)
Communication	16,800	16,800	13,446	(3,354)
Supplies & Minor Equipment	14,000	14,000	11,572	(2,428)
Transportation	4,500	4,500	3,159	(1,341)
Consultant/Contracted	5,500	5,500	1,842	(3,658)
Other Expenses	400	500	390	(110)
Total Expenditures	637,661	637,137	616,571	(20,566)
<b>Coroner</b>				
Salaries & Benefits	150,069	157,827	150,663	(7,164)
Personnel Expense	875	875	782	(93)
Occupancy	226	226	189	(37)
Communication	2,000	2,000	902	(1,098)
Supplies & Minor Equipment	1,200	7,200	3,069	(4,131)
Transportation	1,500	1,500	1,426	(74)
Other Expenses	159,000	167,408	152,577	(14,831)
Total Expenditures	314,870	337,036	309,610	(27,426)
<b>Jury Commission</b>				
Salaries & Benefits	91,383	93,389	90,983	(2,406)
Communication	10,400	10,400	7,184	(3,216)
Supplies & Minor Equipment	5,000	5,000	2,544	(2,456)
Transportation	3,500	3,500	600	(2,900)
Consultant/Contracted	4,500	4,500	3,491	(1,009)
Total Expenditures	114,783	116,789	104,802	(11,987)

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2006**

	Budget		2006	Variance
	Original	Final	Actual	Over (Under)
<b>District Attorney</b>				
Salaries & Benefits	\$ 1,588,050	\$ 1,645,324	\$ 1,575,418	\$ (69,906)
Personnel Expense	15,700	18,271	18,269	(2)
Occupancy	3,358	3,670	3,334	(336)
Communication	8,800	8,800	8,127	(673)
Supplies & Minor Equipment	26,225	23,225	21,254	(1,971)
County Match	69,678	72,055	72,055	-
Transportation	4,800	8,800	8,643	(157)
Consultant/Contracted	11,000	10,988	9,830	(1,158)
Other Expenses	17,500	14,000	11,001	(2,999)
Contra Revenue Accounts	-	34,700	34,700	-
<b>Total Expenditures</b>	<b>1,745,111</b>	<b>1,839,833</b>	<b>1,762,632</b>	<b>(77,201)</b>
<b>Prothonotary</b>				
Salaries & Benefits	615,955	616,489	568,030	(48,459)
Personnel Expense	600	600	412	(188)
Occupancy	7,999	7,999	7,148	(851)
Communication	11,300	11,300	8,874	(2,427)
Supplies & Minor Equipment	21,500	21,500	20,475	(1,025)
Transportation	1,900	1,900	67	(1,833)
<b>Total Expenditures</b>	<b>659,254</b>	<b>659,788</b>	<b>605,006</b>	<b>(54,782)</b>
<b>Register Of Wills</b>				
Salaries & Benefits	301,882	306,631	298,428	(8,203)
Personnel Expense	750	750	710	(40)
Occupancy	3,606	4,486	4,098	(388)
Communication	11,100	11,398	11,165	(233)
Supplies & Minor Equipment	13,250	14,735	14,319	(416)
Transportation	2,000	2,000	1,865	(135)
<b>Total Expenditures</b>	<b>332,588</b>	<b>340,000</b>	<b>330,585</b>	<b>(9,415)</b>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>Sheriff</b>				
Salaries & Benefits	\$ 2,373,910	\$ 2,275,396	\$ 2,246,459	\$ (28,937)
Personnel Expense	29,500	39,150	31,995	(7,155)
Occupancy	1,317	1,317	984	(333)
Communication	12,100	12,132	9,499	(2,633)
Supplies & Minor Equipment	78,400	91,975	63,595	(28,380)
Transportation	6,000	6,000	1,385	(4,615)
Consultant/Contracted	12,860	12,860	11,763	(1,097)
Other Expenses	44,300	61,300	55,206	(6,094)
<b>Total Expenditures</b>	<b>2,558,387</b>	<b>2,500,130</b>	<b>2,420,885</b>	<b>(79,245)</b>
<b>Court Administration</b>				
Salaries & Benefits	2,021,150	1,704,406	1,643,210	(61,196)
Personnel Expense	75,000	121,041	107,229	(13,812)
Occupancy	2,254	2,254	2,015	(239)
Communication	11,400	14,328	14,134	(194)
Supplies & Minor Equipment	56,000	56,157	46,059	(10,098)
Transportation	11,500	11,500	7,558	(3,942)
Consultant/Contracted	123,000	196,230	181,738	(14,492)
Other Expenses	80,000	57,500	55,746	(1,754)
<b>Total Expenditures</b>	<b>2,380,304</b>	<b>2,163,416</b>	<b>2,057,690</b>	<b>(105,726)</b>
<b>Law Library</b>				
Salaries & Benefits	58,445	59,149	57,154	(1,995)
Personnel Expense	83,020	83,020	83,020	-
Communication	350	350	230	(120)
Supplies & Minor Equipment	580	580	495	(85)
Transportation	200	200	105	(95)
<b>Total Expenditures</b>	<b>142,595</b>	<b>143,299</b>	<b>141,005</b>	<b>(2,294)</b>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>District Court 36-1-03</b>				
Salaries & Benefits	\$ 122,419	\$ 124,452	\$ 121,217	\$ (3,235)
Personnel Expense	500	1,300	1,199	(101)
Occupancy	25,750	25,470	24,067	(1,403)
Communication	10,700	10,180	8,436	(1,744)
Supplies & Minor Equipment	9,550	8,807	6,395	(2,412)
Transportation	1,600	1,600	867	(733)
Total Expenditures	<u>170,519</u>	<u>171,809</u>	<u>162,180</u>	<u>(9,629)</u>
<b>District Court 36-1-01</b>				
Salaries & Benefits	129,122	129,633	120,377	(9,256)
Personnel Expense	400	400	372	(28)
Occupancy	12,700	11,717	6,593	(5,124)
Communication	11,900	11,900	9,484	(2,416)
Supplies & Minor Equipment	9,250	8,230	6,675	(1,555)
Transportation	1,000	1,000	647	(353)
Total Expenditures	<u>164,372</u>	<u>162,880</u>	<u>144,149</u>	<u>(18,731)</u>
<b>District Court 36-3-02</b>				
Salaries & Benefits	129,965	129,069	112,587	(16,482)
Personnel Expense	400	400	170	(230)
Occupancy	6,900	6,900	5,387	(1,513)
Communication	11,600	12,498	11,962	(536)
Supplies & Minor Equipment	9,100	8,202	7,282	(920)
Transportation	1,200	1,200	1,021	(179)
Total Expenditures	<u>159,165</u>	<u>158,269</u>	<u>138,409</u>	<u>(19,860)</u>
<b>District Court 36-2-01</b>				
Salaries & Benefits	162,833	165,875	161,022	(4,853)
Personnel Expense	500	500	500	-
Occupancy	7,570	7,695	7,321	(374)
Communication	15,400	16,115	15,996	(119)
Supplies & Minor Equipment	8,600	7,550	6,481	(1,069)
Transportation	2,000	2,060	2,048	(12)
Total Expenditures	<u>196,903</u>	<u>199,795</u>	<u>193,368</u>	<u>(6,427)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>District Court 36-3-03</b>				
Salaries & Benefits	\$ 155,612	\$ 161,364	\$ 157,378	\$ (3,986)
Personnel Expense	400	202	202	-
Occupancy	12,050	11,990	11,374	(616)
Communication	15,100	16,345	15,174	(1,171)
Supplies & Minor Equipment	12,500	11,500	10,439	(1,061)
Transportation	1,500	1,113	926	(187)
Total Expenditures	197,162	202,514	195,494	(7,020)
<b>District Court 36-3-04</b>				
Salaries & Benefits	124,925	136,585	135,801	(784)
Personnel Expense	200	300	276	(24)
Occupancy	7,815	7,933	7,325	(608)
Communication	10,400	9,316	8,929	(387)
Supplies & Minor Equipment	8,700	6,266	4,998	(1,268)
Transportation	2,000	2,650	2,647	(3)
Total Expenditures	154,040	163,050	159,975	(3,075)
<b>District Court 36-1-02</b>				
Salaries & Benefits	161,125	163,741	155,395	(8,346)
Personnel Expense	250	250	245	(5)
Occupancy	7,600	7,600	5,950	(1,650)
Communication	13,400	13,876	13,206	(670)
Supplies & Minor Equipment	9,500	8,400	7,231	(1,169)
Transportation	600	580	425	(155)
Total Expenditures	192,475	194,447	182,452	(11,995)
<b>District Court 36-3-01</b>				
Salaries & Benefits	129,766	134,036	129,202	(4,834)
Personnel Expense	300	340	340	-
Occupancy	7,300	7,435	6,874	(561)
Communication	13,100	12,965	11,465	(1,500)
Supplies & Minor Equipment	10,450	10,450	8,676	(1,774)
Transportation	1,000	1,000	19	(981)
Total Expenditures	161,916	166,226	156,576	(9,650)



County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2006**

	Budget		2006	Variance
	Original	Final	Actual	Over (Under)
<b>District Court 36-2-02</b>				
Salaries & Benefits	\$ 168,652	\$ 170,904	\$ 167,192	\$ (3,712)
Personnel Expense	250	550	267	(283)
Occupancy	6,950	6,545	6,186	(359)
Communication	12,900	14,025	11,043	(2,982)
Supplies & Minor Equipment	9,950	8,730	7,276	(1,454)
Transportation	1,600	2,300	2,291	(9)
Total Expenditures	200,302	203,054	194,255	(8,799)
 Total Judicial	 \$10,482,407	 \$ 10,359,472	 \$ 9,875,645	 \$ (483,826)

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<b>PUBLIC WORKS</b>				
<b>Department of Public Works</b>				
Salaries & Benefits	\$ 1,884,146	\$ 1,869,987	\$ 1,810,782	\$ (59,205)
Personnel Expense	3,300	3,342	3,211	(131)
Occupancy	44,000	44,200	41,666	(2,534)
Communication	7,150	7,415	5,788	(1,627)
Supplies & Minor Equipment	48,700	48,470	42,932	(5,538)
Transportation	1,300	1,300	-	(1,300)
Other Expenses	80,000	80,000	63,660	(16,340)
Total Expenditures	<u>2,068,596</u>	<u>2,054,714</u>	<u>1,968,040</u>	<u>(86,674)</u>
<b>Airport of Beaver County</b>				
Salaries & Benefits	176,068	180,403	174,363	(6,040)
Personnel Expense	60	60	58	(2)
Occupancy	67,688	67,550	67,082	(468)
Communication	4,000	3,146	2,964	(182)
Supplies & Minor Equipment	22,179	21,107	20,955	(152)
Transportation	750	977	951	(26)
Consultant/Contracted	24,000	24,000	21,348	(2,652)
Other Expenses	8,750	8,327	8,054	(273)
Contra Revenue Accounts	12,000	12,151	12,150	(1)
Total Expenditures	<u>315,495</u>	<u>317,721</u>	<u>307,923</u>	<u>(9,798)</u>
<b>Buildings and Grounds</b>				
Occupancy	600,000	654,291	583,425	(70,866)
Communication	1,200	1,200	361	(839)
Supplies & Minor Equipment	80,000	90,192	76,952	(13,240)
Consultant/Contracted	131,800	122,345	110,837	(11,508)
Other Expenses	7,500	23,168	8,096	(15,072)
Total Expenditures	<u>820,500</u>	<u>891,196</u>	<u>779,670</u>	<u>(111,526)</u>
<b>Total Public Works</b>	<u>\$ 3,204,591</u>	<u>\$ 3,263,631</u>	<u>\$ 3,055,634</u>	<u>\$ (207,997)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<b>PUBLIC SAFETY</b>				
<b>Emergency Services</b>				
Reimbursement From 911				
Fund	\$ (1,085,917)	\$ (1,085,917)	\$ (1,220,067)	\$ (134,150)
Salaries & Benefits	2,050,905	2,090,493	2,079,294	(11,199)
Personnel Expense	4,700	3,181	3,137	(44)
Occupancy	34,800	35,600	33,352	(2,248)
Communication	11,900	14,927	14,557	(370)
Supplies & Minor Equipment	21,658	22,450	21,668	(782)
Transportation	5,000	4,000	3,892	(108)
Consultant/Contracted Svcs	7,500	36,127	32,466	(3,661)
Other Expenses	1,100	9,300	8,643	(657)
Total Expenditures	<u>1,051,646</u>	<u>1,130,161</u>	<u>976,942</u>	<u>(153,219)</u>
<b>Jail of Beaver County</b>				
Salaries & Benefits	5,223,755	4,974,442	4,959,272	(15,170)
Personnel Expense	24,700	22,900	22,620	(280)
Occupancy	274,276	284,041	283,880	(161)
Communication	14,800	13,510	13,418	(92)
Supplies & Minor Equipment	72,000	99,994	97,750	(2,244)
Transportation	800	-	-	-
Consultant/Contracted Svcs	15,000	961,982	960,032	(1,950)
Other Expenses	1,183,250	1,284,788	1,284,275	(513)
Anticipated Expense Reduction	(1,259,030)	-	-	-
Total Expenditures	<u>5,549,551</u>	<u>7,641,657</u>	<u>7,621,248</u>	<u>(20,409)</u>
<b>Allencrest Detention Center</b>				
Reimbursement from				
Children/Youth	(1,500,000)	(1,500,000)	(1,603,534)	(103,534)
Salaries & Benefits	1,725,960	1,593,619	1,582,760	(10,859)
Personnel Expense	12,300	12,329	11,770	(559)
Occupancy	53,200	57,710	56,215	(1,495)
Communication	4,050	4,050	3,493	(557)
Supplies & Minor Equipment	60,300	65,391	57,720	(7,671)
Transportation	1,950	1,450	1,081	(369)
Consultant/Contracted Svcs	126,000	140,499	140,499	-
Other Expenses	44,200	50,200	47,956	(2,244)
Total Expenditures	<u>527,960</u>	<u>425,248</u>	<u>297,960</u>	<u>(127,288)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Adult Probation</b>				
Reimbursement from Offender's Supervisory Fund	\$ (750,000)	\$ (750,000)	\$ (687,788)	\$ 62,212
Salaries & Benefits	1,412,765	1,395,968	1,392,983	(2,985)
Personnel Expense	600	600	420	(180)
Communication	7,500	7,500	6,043	(1,457)
Supplies & Minor Equipment	13,200	14,010	9,766	(4,244)
Transportation	6,000	6,000	4,641	(1,359)
Other Expenses	2,000	2,000	1,325	(675)
Total Expenditures	692,065	676,078	727,390	51,312
<b>Intermediate Punishment Program</b>				
Salaries & Benefits	320,026	320,635	275,409	(45,226)
Occupancy	50,250	50,250	47,013	(3,237)
Communication	15,800	15,800	14,286	(1,514)
Supplies & Minor Equipment	113,800	108,841	89,125	(19,716)
Transportation	3,000	3,000	1,645	(1,355)
Other Expenses	250	250	76	(174)
Total Expenditures	503,126	498,776	427,554	(71,222)
<b>Juvenile Probation-Court Services</b>				
Reimbursement from the Children Youth Program	(1,600,000)	(1,600,000)	(1,634,433)	(34,433)
Salaries & Benefits	1,042,862	1,001,327	997,078	(4,249)
Personnel Expense	2,650	2,850	2,558	(292)
Communication	14,100	16,200	14,688	(1,512)
Supplies & Minor Equipment	19,300	19,350	9,289	(10,061)
Transportation	20,000	25,000	23,771	(1,229)
Consultant/Contracted Svcs	92,500	108,850	88,172	(20,678)
Other Expenses	2,867,300	2,530,108	2,515,189	(14,919)
Total Expenditures	2,458,712	2,103,685	2,016,312	(87,373)
<b>Juvenile Probation-Grants (SPS)</b>				
Salaries & Benefits	412,071	417,014	408,564	(8,450)
Transportation	16,000	16,000	10,565	(5,435)
Total Expenditures	428,071	433,014	419,129	(13,885)
<b>Total Public Safety</b>	<b>\$ 11,211,131</b>	<b>\$ 12,908,619</b>	<b>\$ 12,486,535</b>	<b>\$ (422,084)</b>

**EXHIBIT B (PAGE 14 OF 18)**

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<b>CULTURE, RECREATION, AND CONSERVATION</b>				
<b>Waste Management</b>				
Salaries & Benefits	\$ 230,677	\$ 254,575	\$ 227,437	\$ (27,138)
Personnel Expense	520	630	630	-
Occupancy	40,800	42,300	27,847	(14,453)
Communication	5,500	5,500	3,798	(1,702)
Supplies & Minor Equipment	29,800	34,200	23,997	(10,203)
Transportation	3,700	2,700	1,721	(979)
Consultant/Contracted Svcs	17,000	9,600	8,981	(619)
Other Expenses	41,800	44,190	27,557	(16,633)
Total Expenditures	<u>369,797</u>	<u>393,695</u>	<u>321,968</u>	<u>(71,727)</u>
<b>Library Commission</b>				
Salaries & Benefits	516,265	508,177	460,548	(47,629)
Personnel Expense	87,000	121,101	101,100	(20,001)
Communication	16,500	18,134	18,123	(11)
Supplies & Minor Equipment	58,000	49,369	49,367	(2)
Transportation	7,000	7,281	7,281	-
Consultant/Contracted	15,000	18,098	18,098	-
Other Expenses	661,551	650,528	649,582	(946)
Total Expenditures	<u>1,361,316</u>	<u>1,372,688</u>	<u>1,304,099</u>	<u>(68,589)</u>
<b>Parks/Shelter/Recreation</b>				
Salaries & Benefits	86,274	87,566	84,234	(3,332)
Occupancy	2,325	2,325	1,746	(580)
Communication	9,800	3,725	3,430	(295)
Supplies & Minor Equipment	1,100	1,151	238	(913)
Transportation	1,000	177	150	(27)
Other Expenses	1,500	875	858	(17)
Total Expenditures	<u>101,999</u>	<u>95,819</u>	<u>90,656</u>	<u>(5,163)</u>
<b>DPW/Parks</b>				
Occupancy	33,300	39,380	31,466	(7,914)
Communication	3,200	3,200	2,823	(377)
Supplies & Minor Equipment	60,100	55,586	48,473	(7,113)
Consultant/Contracted	14,000	12,773	3,033	(9,740)
Other Expenses	25,000	31,100	13,999	(17,101)
Total Expenditures	<u>135,600</u>	<u>142,039</u>	<u>99,795</u>	<u>(42,244)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Ice Arena</b>				
Salaries & Benefits	\$ 294,459	\$ 313,891	\$ 303,096	\$ (10,795)
Personnel Expense	2,400	3,126	3,126	-
Occupancy	144,200	172,940	170,024	(2,916)
Communication	7,000	5,544	4,723	(821)
Supplies & Minor Equipment	30,250	50,694	44,272	(6,422)
Transportation	1,750	2,823	2,806	(17)
Consultant/Contracted	11,000	22,032	19,928	(2,104)
Other Expenses	31,475	1,383	1,301	(82)
Total Expenditures	<u>522,534</u>	<u>572,433</u>	<u>549,276</u>	<u>(23,157)</u>
<b>Pool</b>				
Salaries & Benefits	66,157	72,533	67,969	(4,564)
Occupancy	18,200	18,200	14,078	(4,122)
Communication	1,700	1,700	339	(1,361)
Supplies & Minor Equipment	8,800	8,300	2,773	(5,527)
Other Expenses	18,200	18,200	16,269	(1,932)
Total Expenditures	<u>113,057</u>	<u>118,933</u>	<u>101,427</u>	<u>(17,506)</u>
<b>DPW-Ballfields</b>				
Occupancy	500	1,000	978	(22)
Supplies & Minor Equipment	4,400	6,676	4,627	(2,049)
Other Expenses	5,000	7,659	6,284	(1,375)
Total Expenditures	<u>9,900</u>	<u>15,335</u>	<u>11,889</u>	<u>(3,446)</u>
<b>Total Culture, Recreation and Conservation</b>	<u>\$ 2,614,203</u>	<u>\$ 2,710,942</u>	<u>\$ 2,479,111</u>	<u>\$ (231,831)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>HUMAN SERVICES</b>				
<b>County Matches/Subsidies</b>				
Subsidies	\$ 3,388,840	\$ 3,466,220	\$ 3,411,458	\$ (54,762)
Consultant/Contracted	-	21,046	19,726	(1,320)
County Match	2,452,854	2,109,839	2,104,720	(5,119)
Other Expenses	-	17,854	-	(17,854)
Contra Revenue Accounts	5,000	153,800	126,636	(27,164)
Total Expenditures	<u>5,846,694</u>	<u>5,768,759</u>	<u>5,662,541</u>	<u>(106,218)</u>
<b>Beaver County Transit Authority</b>				
Subsidies	810,000	810,000	810,000	-
Contra Revenue Accounts	<u>1,000,000</u>	<u>1,000,000</u>	<u>906,075</u>	<u>(93,925)</u>
Total Expenditures	<u>1,810,000</u>	<u>1,810,000</u>	<u>1,716,075</u>	<u>(93,925)</u>
<b>Total Human Services</b>	<u><u>\$ 7,656,694</u></u>	<u><u>\$ 7,578,759</u></u>	<u><u>\$ 7,378,616</u></u>	<u><u>\$ (200,143)</u></u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

Year Ended December 31, 2006

	Budget		2006	Variance
	Original	Final	Actual	Over (Under)
<b>Debt Service</b>				
Principal	2,270,000	1,132,568	1,132,235	(333)
Interest	3,927,307	2,105,253	2,104,965	(288)
Other Refunding Bond Issuance Costs	-	-	309,351	309,351
Total expenditures	6,197,307	3,237,821	3,546,551	308,730
 <b>Fixed Asset Acquisition and Improvements</b>	2,161,985	2,145,108	1,878,833	(266,275)
Infrastructure	21,900	21,900	18,196	(3,704)
 <b>TOTAL EXPENDITURES</b>	<u>\$ 58,309,169</u>	<u>\$ 58,924,097</u>	<u>\$ 54,044,924</u>	<u>\$ (3,852,680)</u>



## **County of Beaver, Pennsylvania Individual Fund Designations**

### County Records Improvement

This fund is a requirement of Act 8 of 1998 (42 PS 21052.1). This Act creates an additional fee for the recordation of deeds, the proceeds of which are to be devoted to the improvement of record keeping and record management County-wide. The Act also creates a Record Management Committee, consisting of most County row officers and the Board of Commissioners. The annual budget and expenditures from this fund are to be governed by decision of the Committee.

### Recorder of Deeds Records Improvement

The purpose of the Recorder's Record Improvement Fund is to support development and improvement of office records management activities and systems in the office of the Recorder of Deeds. Amounts in the separate fund shall not be used to substitute any allocations of general revenues for the operation of the Recorder's Office without the express consent of the Recorder.

### Prothonotary Automation

These funds shall be used solely for the purpose of automating the Prothonotary's Office and any continued automation updates.

### Clerk of Courts Automation

These funds shall be used solely for the purpose of automating the Clerk of Courts Office and any continued automation updates.

### Register of Wills Automation

The purpose of this fund is to purchase equipment to upgrade or replace machines that are needed to operate the office of the Register of Wills.

### Domestic Relations

The IV-D fund is established and administered for the purpose of establishing and the subsequent enforcing of support obligations owed by non-custodial parents to their children and the parent with whom such children are living, locating non-custodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available for whom such assistance is requested.

### Offender's Supervisory

The Offender Supervision Fee is assessed monthly against all offenders placed on probation, parole, Accelerated Rehabilitative Disposition, Probation with Verdict and Intermediate Punishment. Currently, the money is collected by the Clerk of Courts, with 50% being retained by the county and 50% being forwarded to the State. In the first quarter of the following year, 100% of that amount is returned to the County.

## **County of Beaver, Pennsylvania Individual Fund Designations**

### Victim Witness

The Victim Witness Assistance Project provides direct/indirect services to all victims of crime in Beaver County. These services include: Criminal Justice Support/Advocacy, Crisis & Follow-Up Counseling, Information/Referral, Court Accompaniment, Victim Compensation Assistance Program Claims, Restitution, Sentencing & Prison Notifications, Property Return, Witness Management, and Victim Impact Statements.

### Stop Grant

The Stop Grant fund is responsible for training law enforcement officers, judges, other court personnel, and prosecutors to more effectively identify and respond to violent crimes against women, including crimes of sexual assault, domestic violence and dating violence. This fund is also responsible for police, court and prosecution policies, protocols, orders and services specifically devoted to preventing, identifying and responding to violent crimes against women.

### Hazardous Materials/Act 147 Grants

This fund is responsible for upgrading the County's Hazardous Materials Response Team which services all of Beaver County and provides containment of spills until private contractors arrive for clean-up. Act 147 Funds are also recorded here and are used to better prepare Beaver County for a possible accident at the Beaver Valley Nuclear Power Station. Nearly half of the funds go back to the municipality that are with-in a ten mile radius of the plant for traffic control devices, radio equipment and other items necessary to complete an effective evacuation of the area.

### Liquid Fuels

The purpose of the Liquid Fuels Fund is for construction, maintenance, and repair of County roads and bridges and services pertaining to such.

### County Office on Aging

The purpose of the Beaver County Office on Aging (BCOA), is to plan and deliver a comprehensive system of social services for the citizens of Beaver County who are over age 60. BCOA operates under the direction of the County Commissioners to identify the needs in the communities, ensure the provision of quality services, preserve the dignity of the individual and advocate for their rights. BCOA provides and contracts for case management, home and community based care, recreation, health and wellness activities, congregate and home delivered meals, PDA waiver, nursing home diversion, protective services, senior center services and other programs that ensure the safety, independence and well being of older persons.

## **County of Beaver, Pennsylvania**

### **Individual Fund Designations**

#### Child Care Resource Management

The Pennsylvania Department of Public Welfare, through its Child Care Information Service Agencies, administers the Subsidized Child Day Care Program for low income families and makes resources and referral services available to all citizens of Pennsylvania. Child Care Information Service Agencies are dedicated to provide all services courteously, to help families receive all of the services for which they are eligible, and to help families access all needed resources in a community.

#### Tourist Promotion

The Tourism Fund is funded through the County's hotel/motel occupancy tax, which is 3% of gross receipts tax collected by innkeepers within the County from each transaction of renting a sleeping room(s) to transients. By ordinance, the recognized tourist promotion agency shall only use these tax revenues to directly fund County-wide tourist promotion activities and its operational expenses. The Tourism Department also applies for state tourism grants on a yearly basis from the Department of Economic Development, which specifies by law how those funds can be used relative to regional or county tourism promotional activities.

#### Courtroom Improvement

This fund was established in 1995 for the purpose of renovating four courtrooms. This fund was closed in October 2006.

#### 1996 Bond Issue

Bond proceeds were deposited into this fund and used for the construction of a jail and courthouse, purchasing electronic touch-screen voting machines, various major data processing equipment, and miscellaneous other capital items as the Commissioners designated.

#### 2005 Bond Issue

Bond proceeds deposited into this fund were to be used to afford a new financial accounting system, an energy saving project at the Ice/Tennis Facility [upgrade of ice-making equipment, lighting, and building HVAC], and miscellaneous other capital items as the Commissioners designated.

#### FAA Projects

This fund was established for the County of Beaver to track grant funds received from the Federal Aviation Administration and PaDOT, Bureau of Aviation. These funds are for development, improvement, rehabilitation, equipment acquisition and planning projects at the Beaver County Airport.

**County of Beaver, Pennsylvania**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2006**

	<u>County Records Improvement</u>	<u>Recorder of Deeds Records Improvement</u>	<u>Prothonotary Automation</u>	<u>Clerk of Courts Automation</u>	<u>Register of Wills Automation</u>	<u>Domestic Relations</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 98,116	\$ 201,837	\$ 64,627	\$ 4,637	\$ 29,039	\$ 92,292
Due From Other Funds	-	-	-	-	-	-
Prepaid Other	-	-	-	-	-	-
Accounts Receivable	4,296	6,444	1,205	620	520	569,096
Investments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 102,412</u>	<u>\$ 208,281</u>	<u>\$ 65,832</u>	<u>\$ 5,257</u>	<u>\$ 29,559</u>	<u>\$ 661,388</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 40,458	\$ 1,578	\$ 420	\$ 10,894	\$ 15,533
Due to Other Funds	-	-	-	-	-	438,601
Deferred Revenue	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	-	40,458	1,578	420	10,894	454,135
<b>FUND BALANCE</b>						
Unreserved, designated	-	-	-	-	-	-
Unreserved, undesignated	102,411	167,823	64,254	4,837	18,665	207,253
<b>TOTAL FUND BALANCE</b>	<u>102,411</u>	<u>167,823</u>	<u>64,254</u>	<u>4,837</u>	<u>18,665</u>	<u>207,253</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 102,411</u>	<u>\$ 208,281</u>	<u>\$ 65,832</u>	<u>\$ 5,257</u>	<u>\$ 29,559</u>	<u>\$ 661,388</u>

**Special Revenue**

<u>Offender's Supervisory</u>	<u>Victim Witness / Stop Grant</u>	<u>Hazardous Materials/ Act 147 Grants</u>	<u>Liquid Fuels</u>	<u>County Office on Aging</u>	<u>Child Care Resource Management</u>	<u>Tourist Promotion</u>	<u>Total</u>
\$ 112,179	\$ 10,162	\$ 102,016	\$ 1,306,309	\$ 1,106,882	\$ 581,221	\$ 91,943	\$ 3,801,259
-	-	-	-	150	-	-	150
-	-	-	-	11,029	7,337	-	18,366
19,486	19,043	-	131,894	195,002	229	14,697	962,532
-	-	-	-	-	-	-	-
<u>\$ 131,665</u>	<u>\$ 29,205</u>	<u>\$ 102,016</u>	<u>\$ 1,438,203</u>	<u>\$ 1,313,062</u>	<u>\$ 588,787</u>	<u>\$ 106,640</u>	<u>\$ 4,782,307</u>
\$ -	\$ 1,883	\$ 1,309	\$ 18,624	\$ 171,730	\$ 509,250	\$ 8,485	\$ 780,166
-	36,129	-	1,250	100,595	13,834	2,239	592,648
-	-	53,976	-	-	-	-	53,976
-	38,013	55,285	19,874	272,325	523,084	10,724	1,426,790
-	-	-	1,295,066	-	-	-	1,295,066
131,665	(8,808)	46,730	123,263	1,040,737	65,703	95,916	2,060,451
131,665	(8,808)	46,730	1,418,329	1,040,737	65,703	95,916	3,355,517
<u>\$ 131,665</u>	<u>\$ 29,205</u>	<u>\$ 102,016</u>	<u>\$ 1,438,203</u>	<u>\$ 1,313,062</u>	<u>\$ 588,787</u>	<u>\$ 106,640</u>	<u>\$ 4,782,307</u>

County of Beaver, Pennsylvania

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2006

	<u>Capital Projects</u>					<u>Total Nonmajor Governmental Funds</u>
	<u>Courtroom Improvement</u>	<u>1996 Bond Issue</u>	<u>2005 Bond Issue</u>	<u>FAA Projects</u>	<u>Total</u>	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ 345,290	\$ 36,183	\$ 381,473	\$ 4,182,733
Due From Other Funds	-	-	27,551	-	27,551	27,701
Prepaid Other	-	-	-	-	-	18,366
Accounts Receivable	-	-	1,045	32,575	33,620	996,153
Investments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,886</u>	<u>\$ 68,758</u>	<u>\$ 442,644</u>	<u>\$ 5,224,953</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ 8,195	\$ 29,219	\$ 37,414	\$ 817,581
Due to Other Funds	-	-	-	2,681	2,681	595,329
Deferred Revenue	-	-	-	29,720	29,720	83,696
<b>TOTAL LIABILITIES</b>	-	-	8,195	61,620	69,815	1,496,606
<b>FUND BALANCE</b>						
Unreserved, designated	-	-	-	-	-	1,295,066
Unreserved, undesignated	-	-	365,691	7,138	372,830	2,433,281
<b>TOTAL FUND BALANCE</b>	-	-	365,691	7,138	372,830	3,728,347
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,886</u>	<u>\$ 68,758</u>	<u>\$ 442,644</u>	<u>\$ 5,224,953</u>

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**County of Beaver, Pennsylvania**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended December 31, 2006**

	<u>County Records Improvement</u>	<u>Recorder of Deeds Records Improvement</u>	<u>Prothonotary Automation</u>	<u>Clerk of Courts Automation</u>	<u>Register of Wills Automation</u>	<u>Domestic Relations</u>
<b>REVENUES</b>						
Investment Income	\$ 4,001	\$ 8,665	\$ 2,718	\$ 159	\$ 23	\$ 3,949
Intergovernmental	-	-	-	-	-	1,827,429
Departmental Earnings	57,118	85,677	16,440	8,399	5,710	51,199
Local Hotel Room Tax	-	-	-	-	-	-
Reimbursement Income	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>61,119</b>	<b>94,342</b>	<b>19,158</b>	<b>8,559</b>	<b>5,733</b>	<b>1,882,577</b>
<b>EXPENDITURES</b>						
Current						
General Government	400	39,377	1,578	5,340	2,080	-
Judicial	-	-	-	-	-	2,214,761
Public Safety	-	-	-	-	-	-
Public Works and Enterprises	-	-	-	-	-	-
Culture Recreation & Conservation	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Operating / Human Services	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Fixed Asset Acquisition	22,730	44,228	3,008	2,246	8,814	-
<b>TOTAL EXPENDITURES</b>	<b>23,130</b>	<b>83,605</b>	<b>4,586</b>	<b>7,586</b>	<b>10,894</b>	<b>2,214,761</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	37,989	10,737	14,572	972	(5,161)	(332,184)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers to Other Funds	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>37,989</b>	<b>10,737</b>	<b>14,572</b>	<b>972</b>	<b>(5,161)</b>	<b>(332,184)</b>
Fund Balance - Beginning	64,422	157,086	49,682	3,865	23,826	539,437
<b>Fund Balance - Ending</b>	<b>\$ 102,411</b>	<b>\$ 167,823</b>	<b>\$ 64,254</b>	<b>\$ 4,837</b>	<b>\$ 18,665</b>	<b>\$ 207,253</b>



**Special Revenue**

<u>Offender's Supervisory</u>	<u>Victim Witness / Stop Grant</u>	<u>Hazardous Materials/ Act 147 Grants</u>	<u>Liquid Fuels</u>	<u>County Office on Aging</u>	<u>Child Care Resource Management</u>	<u>Tourist Promotion</u>	<u>Total</u>
\$ 17,414	\$ 1,125	\$ 2,204	\$ 48,988	\$ 48,008	\$ 19,934	\$ 34	\$ 157,224
262,002	299,523	126,547	1,730,888	4,781,416	6,740,250	47,924	15,815,979
255,039	1,450	-	22,275	69,451	-	8,873	581,630
-	-	-	-	-	-	209,604	209,604
-	-	10,200	-	-	-	-	10,200
534,455	302,098	138,951	1,802,150	4,898,875	6,760,185	266,435	16,774,638
-	-	-	-	-	-	-	48,776
687,788	260,508	-	-	-	-	-	3,163,057
-	-	115,781	-	-	-	-	115,781
-	-	-	282,564	-	-	-	282,564
-	-	-	-	-	-	207,233	207,233
-	-	-	-	4,911,623	6,812,549	-	11,724,172
-	-	-	-	-	-	-	-
-	-	-	1,333,302	-	-	-	1,333,302
-	-	9,834	-	-	14,543	-	105,402
687,788	260,508	125,615	1,615,866	4,911,623	6,827,092	207,233	16,980,287
(153,333)	41,590	13,336	186,284	(12,748)	(66,907)	59,202	(205,650)
-	(35,934)	-	-	-	-	-	(35,934)
-	(35,934)	-	-	-	-	-	(35,934)
(153,333)	5,656	13,336	186,284	(12,748)	(66,907)	59,202	(241,584)
284,998	(14,464)	33,394	1,232,045	1,053,484	132,610	36,714	3,597,101
\$ 131,665	\$ (8,808)	\$ 46,730	\$ 1,418,329	\$ 1,040,737	\$ 65,703	\$ 95,916	\$ 3,355,517

**County of Beaver, Pennsylvania**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended December 31, 2006**

	<u>Capital Projects</u>					<u>Total Nonmajor Governmental Total</u>
	<u>Courtroom Improvement</u>	<u>1996 Bond Issue</u>	<u>2005 Bond Issue</u>	<u>FAA Project</u>	<u>Total</u>	
<b>REVENUES</b>						
Investment Income	\$ 409	\$ 816	\$ 41,807	\$ 197	\$ 43,229	\$ 200,454
Intergovernmental	-	-	-	788,958	788,958	16,604,937
Departmental Earnings	-	-	-	-	-	581,630
Local Hotel Room Tax	-	-	-	-	-	209,604
Reimbursement Income	-	-	-	-	-	10,200
<b>TOTAL REVENUES</b>	<b>409</b>	<b>816</b>	<b>41,807</b>	<b>789,155</b>	<b>832,188</b>	<b>17,606,825</b>
<b>EXPENDITURES</b>						
Current						
General Government	-	-	-	-	-	48,776
Judicial	791	-	-	-	791	3,163,848
Public Safety	-	-	-	-	-	115,781
Public Works and Enterprises	-	-	162,319	-	162,319	444,883
Culture Recreation & Conserv	-	-	-	-	-	207,233
Intergovernmental						
Operating / Human Services	-	-	-	-	-	11,724,172
Debt Service						
Interest	-	219,384	-	-	219,384	219,384
Capital Outlay						
Infrastructure	-	-	31,998	767,364	799,362	2,132,664
Fixed Asset Acquisition	12,609	-	501,175	23,735	537,518	642,921
<b>TOTAL EXPENDITURES</b>	<b>13,400</b>	<b>219,384</b>	<b>695,492</b>	<b>791,099</b>	<b>1,719,374</b>	<b>18,699,661</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(12,991)	(218,567)	(653,685)	(1,943)	(887,186)	(1,092,836)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers to Other Funds	-	(634)	-	-	(634)	(36,568)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(634)</b>	<b>-</b>	<b>-</b>	<b>(634)</b>	<b>(36,568)</b>
Net Changes in Fund Balances	(12,991)	(219,201)	(653,685)	(1,943)	(887,821)	(1,129,404)
Fund Balance - Beginning	12,991	219,201	1,019,376	9,082	1,260,650	4,857,752
Fund Balance - Ending	\$ -	\$ -	\$ 365,691	\$ 7,138	\$ 372,830	\$ 3,728,347

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>GENERAL GOVERNMENT</u></b>				
County Records Improvement				
Revenues				
Departmental Earnings	\$ -	\$ -	\$ 57,118	\$ 57,118
Interest	-	-	4,001	4,001
Total Revenues	-	-	61,119	61,119
Expenditures				
Transportation	-	400	400	-
Other Expenditures	20,745	20,745	-	(20,745)
Capital Outlay	-	33,212	22,730	(10,482)
Total Expenditures	20,745	54,357	23,130	(31,227)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(20,745)	(54,357)	37,989	92,346
Fund Balance - January 1, 2006	80,410	80,410	64,422	(15,988)
Fund Balance - December 31, 2006	<u>\$ 59,665</u>	<u>\$ 26,053</u>	<u>\$ 102,411</u>	<u>\$ 76,358</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<b><u>GENERAL GOVERNMENT</u></b>				
<b>Recorder of Deeds Records Improvement</b>				
Revenues				
Departmental Earnings	\$ 92,000	\$ 92,000	\$ 85,677	\$ (6,323)
Interest	1,700	1,700	8,665	6,965
Total Revenues	<u>93,700</u>	<u>93,700</u>	<u>94,342</u>	<u>642</u>
Expenditures				
Supplies & Minor Equip.	4,700	4,700	-	(4,700)
Transportation	5,000	5,000	3,499	(1,501)
Consultant/Contracted Svcs.	100,000	39,660	35,878	(3,782)
Capital Outlay	63,420	63,420	44,228	(19,192)
Total Expenditures	<u>173,120</u>	<u>112,780</u>	<u>83,605</u>	<u>(29,175)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(79,420)	(19,080)	10,737	29,817
Fund Balance - January 1, 2006	<u>149,952</u>	<u>149,952</u>	<u>157,086</u>	<u>7,134</u>
Fund Balance - December 31, 2006	<u>\$ 70,532</u>	<u>\$ 130,872</u>	<u>\$ 167,823</u>	<u>\$ 36,951</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>GENERAL GOVERNMENT</u></b>				
<b>Prothonotary Automation</b>				
Revenues				
Departmental Earnings	\$ 15,100	\$ 15,100	\$ 16,440	\$ 1,340
Interest	1,060	1,060	2,718	1,658
Total Revenues	<u>16,160</u>	<u>16,160</u>	<u>19,158</u>	<u>2,998</u>
Expenditures				
Supplies & Minor Equip.	-	-	1,578	1,578
Capital Outlay	6,000	7,219	3,008	(4,211)
Total Expenditures	<u>6,000</u>	<u>7,219</u>	<u>4,586</u>	<u>(2,633)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	10,160	8,941	14,572	5,631
Fund Balance - January 1, 2006	<u>49,000</u>	<u>49,000</u>	<u>49,682</u>	<u>682</u>
Fund Balance - December 31, 2006	<u>\$ 59,160</u>	<u>\$ 57,941</u>	<u>\$ 64,254</u>	<u>\$ 6,313</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>GENERAL GOVERNMENT</u></b>				
<b>Clerk of Courts Automation</b>				
Revenues				
Departmental Earnings	\$ 7,000	\$ 7,000	\$ 8,399	\$ 1,399
Interest	140	140	159	19
Total Revenues	<u>7,140</u>	<u>7,140</u>	<u>8,559</u>	<u>1,419</u>
Expenditures				
Consultant/Contracted Svcs.	5,040	4,200	5,340	1,140
Other Expenditures	420	420	-	(420)
Capital Outlay	2,600	2,600	2,246	(354)
Total Expenditures	<u>8,060</u>	<u>7,220</u>	<u>7,586</u>	<u>366</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(920)	(80)	972	1,052
Fund Balance - January 1, 2006	<u>3,352</u>	<u>3,352</u>	<u>3,865</u>	<u>513</u>
Fund Balance - December 31, 2006	<u>\$ 2,432</u>	<u>\$ 3,272</u>	<u>\$ 4,837</u>	<u>\$ 1,565</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>JUDICIAL</u></b>				
Domestic Relations				
Revenues				
Intergovernmental	\$ 1,981,027	\$ 2,257,217	\$ 1,827,429	\$ (429,788)
Departmental Earnings	56,500	56,500	51,199	(5,301)
Interest	2,100	2,100	3,949	1,849
Total Revenues	<u>2,039,627</u>	<u>2,315,817</u>	<u>1,882,577</u>	<u>(433,240)</u>
Expenditures				
Salaries & Benefits	1,928,415	1,915,215	1,790,537	(124,678)
Personnel Expense	10,400	15,800	9,085	(6,715)
Occupancy	902	902	880	(22)
Communication	53,000	53,000	44,134	(8,866)
Supplies & Minor Equip.	23,400	23,010	16,515	(6,495)
Transportation	9,260	9,260	7,835	(1,425)
Consultant/Contracted Svcs.	21,000	25,000	24,894	(106)
Other Expenditures	30,660	321,440	320,881	(559)
Capital Outlay	13,000	2,600	-	(2,600)
Total Expenditures	<u>2,090,037</u>	<u>2,366,227</u>	<u>2,214,761</u>	<u>(151,466)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(50,410)	(50,410)	(332,184)	(281,774)
Fund Balance - January 1, 2006	<u>50,410</u>	<u>50,410</u>	<u>539,437</u>	<u>489,027</u>
Fund Balance - December 31, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,253</u>	<u>\$ 207,253</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>GENERAL GOVERNMENT</u></b>				
<b>Register of Wills Automation</b>				
Revenues				
Departmental Earnings	\$ -	\$ -	\$ 5,710	\$ 5,710
Interest	-	-	23	23
Total Revenues	-	-	5,733	5,733
Expenditures				
Supplies & Minor Equip.	-	15,000	2,080	(12,920)
Capital Outlay	-	-	8,814	8,814
Total Expenditures	-	15,000	10,894	(4,106)
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	(15,000)	(5,161)	9,839
Fund Balance - January 1, 2006	-	15,000	23,826	8,826
Fund Balance - December 31, 2006	\$ -	\$ -	\$ 18,665	\$ 18,665



**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b>JUDICIAL</b>				
<b>Offender's Supervisory</b>				
Revenues				
Departmental Earnings	\$ 250,000	\$ 250,000	\$ 255,039	\$ 5,039
Intergovernmental	250,000	250,000	262,002	12,002
Interest	5,200	5,200	17,414	12,214
Total Revenues	<u>505,200</u>	<u>505,200</u>	<u>534,455</u>	<u>29,255</u>
Expenditures				
Reimburse Other Funds	750,000	750,000	687,788	(62,212)
Capital Outlay	-	-	-	-
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>687,788</u>	<u>(62,212)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(244,800)	(244,800)	(153,333)	91,467
Fund Balance - January 1, 2006	<u>250,000</u>	<u>250,000</u>	<u>284,998</u>	<u>34,998</u>
Fund Balance - December 31, 2006	<u>\$ 5,200</u>	<u>\$ 5,200</u>	<u>\$ 131,665</u>	<u>\$ 126,465</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	Budget		2006	Variance
	Original	Final	Actual	Over (Under)
<b>JUDICIAL</b>				
Victim Witness / Stop Grant				
Revenues				
Intergovernmental	\$ 357,513	\$ 357,513	\$ 299,523	\$ (57,990)
Interest	106	106	1,125	1,019
Departmental Earnings	-	-	1,450	1,450
Total Revenues	<u>357,619</u>	<u>357,619</u>	<u>302,098</u>	<u>(55,521)</u>
Expenditures				
Salaries & Benefits	286,262	251,879	216,602	(35,277)
Personnel Expense	45	111	99	(12)
Lease Agreements	-	-	-	-
Communication	9,538	1,515	529	(986)
Supplies & Minor Equip.	-	7,338	6,141	(1,197)
Transportation	4,502	4,479	3,283	(1,196)
Consultant/Contracted Svcs.	-	-	-	-
Other Expenditures	11,794	10,884	10,870	(14)
Contra Revenue Account	45,966	45,966	22,984	(22,983)
Capital Outlay	-	-	-	-
Total Expenditures	<u>358,107</u>	<u>322,172</u>	<u>260,508</u>	<u>(61,664)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(488)	35,447	41,590	6,143
Other Financing Sources (Uses)				
Transfers to the General Fund	-	(35,935)	(35,934)	1
Total Financing Sources (Uses)	<u>-</u>	<u>(35,935)</u>	<u>(35,934)</u>	<u>1</u>
Fund Balance - January 1, 2006	<u>53,512</u>	<u>53,512</u>	<u>(14,464)</u>	<u>(67,976)</u>
Fund Balance - December 31, 2006	<u>\$ 53,024</u>	<u>\$ 53,024</u>	<u>\$ (8,808)</u>	<u>\$ (61,833)</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>PUBLIC SAFETY</u></b>				
Hazardous Materials / Act 147 Grants				
Revenues				
Intergovernmental	\$ 122,138	\$ 122,138	\$ 126,547	\$ 4,409
Interest	1,350	1,350	2,204	854
Reimbursement Income	-	-	10,200	10,200
Total Revenues	<u>123,488</u>	<u>123,488</u>	<u>138,951</u>	<u>15,463</u>
Expenditures				
Salaries & Benefits	1,907	1,907	1,907	-
Personnel Expense	6,000	5,000	3,321	(1,679)
Occupancy	11,750	11,775	8,439	(3,337)
Communication	40,500	44,000	43,550	(450)
Supplies & Minor Equipment	24,500	26,000	16,682	(9,318)
Transportation	5,000	5,000	625	(4,375)
Other Expenditures	53,004	53,044	41,258	(11,786)
Capital Outlay	12,500	14,960	9,834	(5,126)
Total Expenditures	<u>155,161</u>	<u>161,686</u>	<u>125,615</u>	<u>(36,071)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(31,673)	(38,198)	13,336	51,534
Fund Balance - January 1, 2006	<u>40,561</u>	<u>40,561</u>	<u>33,394</u>	<u>(7,167)</u>
Fund Balance - December 31, 2006	<u>\$ 8,888</u>	<u>\$ 2,363</u>	<u>\$ 46,730</u>	<u>\$ 44,367</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>PUBLIC WORKS</u></b>				
<b>Liquid Fuels</b>				
Revenues				
Intergovernmental	\$ 2,820,900	\$ 2,820,900	\$ 1,730,888	\$ (1,090,012)
Departmental Earnings	21,750	21,750	22,275	525
Interest	29,000	29,000	48,988	19,988
Total Revenues	<u>2,871,650</u>	<u>2,871,650</u>	<u>1,802,150</u>	<u>(1,069,500)</u>
Expenditures				
Salaries & Benefits	45,367	46,063	45,530	(533)
Personnel Expense	500	506	9	(497)
Consultant/Contracted Svcs.	2,185,500	248,421	20,328	(228,093)
Communication	8,100	7,923	1,162	(6,761)
Supplies & Minor Equip.	16,500	16,500	5,318	(11,182)
Transportation	6,000	6,000	1,417	(4,583)
Other Expenditures	1,732,556	286,769	208,800	(77,969)
Infrastructure	950,000	3,037,796	1,333,302	(1,704,494)
Capital Outlay	50,000	50,000	-	(50,000)
Total Expenditures	<u>4,994,523</u>	<u>3,699,978</u>	<u>1,615,866</u>	<u>(2,084,112)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(2,122,873)	(828,328)	186,284	1,014,612
Fund Balance - January 1, 2006	<u>2,200,556</u>	<u>2,200,556</u>	<u>1,232,045</u>	<u>(968,511)</u>
Fund Balance - December 31, 2006	<u>\$ 77,683</u>	<u>\$ 1,372,228</u>	<u>\$ 1,418,329</u>	<u>\$ 46,101</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>HUMAN SERVICES</u></b>				
<b>Office on Aging</b>				
Revenues				
Intergovernmental	\$ 5,598,960	\$ 5,598,960	\$ 4,781,416	\$ (817,544)
Departmental Earnings	70,200	70,200	69,451	(749)
Interest and Rents	24,850	24,850	48,008	23,158
Total Revenues	<u>5,694,010</u>	<u>5,694,010</u>	<u>4,898,875</u>	<u>(795,135)</u>
Expenditures				
Reimbursement to State	166,569	166,569	149,142	(17,427)
Salaries & Benefits	2,406,717	2,406,717	2,135,844	(270,873)
Personnel Expense	34,250	34,250	10,412	(23,838)
Consultant/Contracted Svcs.	193,000	203,000	87,628	(115,372)
Sub Contracted Services	3,000,000	2,990,000	2,193,998	(796,002)
Occupancy	183,451	183,451	158,540	(24,911)
Communication	59,500	59,500	22,930	(36,570)
Supplies & Minor Equip.	143,000	143,000	37,233	(105,767)
Transportation	35,000	35,000	25,712	(9,288)
Other Expenditures	107,967	107,967	90,184	(17,783)
Capital Outlay	118,000	118,000	-	(118,000)
Total Expenditures	<u>6,447,454</u>	<u>6,447,454</u>	<u>4,911,623</u>	<u>(1,535,831)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(753,444)	(753,444)	(12,748)	740,696
Fund Balance - January 1, 2006	<u>896,051</u>	<u>896,051</u>	<u>1,053,484</u>	<u>157,433</u>
Fund Balance - December 31, 2006	<u>\$ 142,607</u>	<u>\$ 142,607</u>	<u>\$ 1,040,737</u>	<u>\$ 898,130</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<b><u>HUMAN SERVICES</u></b>				
<b>Child Care Resource Management</b>				
Revenues				
Intergovernmental	\$ 6,446,656	\$ 6,446,656	\$ 6,740,250	\$ 293,594
Interest	14,652	14,652	19,934	5,282
Total Revenues	<u>6,461,308</u>	<u>6,461,308</u>	<u>6,760,185</u>	<u>298,877</u>
Expenditures				
Reimbursement to State	-	110,000	108,422	(1,578)
Salaries & Benefits	563,290	565,591	503,364	(62,227)
Personnel Expense	6,800	6,800	2,186	(4,614)
Consultant/Contracted Svcs.	18,000	18,000	4,872	(13,128)
Sub Contracted Services	5,959,233	5,981,332	5,960,890	(20,442)
Occupancy	75,600	76,600	68,142	(8,458)
Communication	33,600	32,600	20,174	(12,426)
Supplies & Minor Equip.	55,500	55,500	34,459	(21,041)
Transportation	6,000	6,000	3,206	(2,794)
Other Expenditures	129,783	107,684	106,833	(851)
Capital Outlay	70,000	70,000	14,543	(55,457)
Total Expenditures	<u>6,917,806</u>	<u>7,030,107</u>	<u>6,827,092</u>	<u>(203,015)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(456,498)	(568,799)	(66,907)	501,892
Fund Balance - January 1, 2006	<u>575,101</u>	<u>575,101</u>	<u>132,610</u>	<u>(442,491)</u>
Fund Balance - December 31, 2006	<u>\$ 118,603</u>	<u>\$ 6,302</u>	<u>\$ 65,703</u>	<u>\$ 59,401</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SPECIAL REVENUES FUND  
Year Ended December 31, 2006**

	<b>Budget</b>		<b>2006</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over (Under)</b>
<b><u>RECREATION</u></b>				
<b>Tourist Promotion</b>				
Revenues				
Intergovernmental	\$ 45,203	\$ 45,203	\$ 47,924	\$ 2,721
Departmental Earnings	5,250	5,250	8,873	3,623
Local Hotel Room Tax	165,000	165,000	209,604	44,604
Interest	-	-	34	34
Total Revenues	<u>215,453</u>	<u>215,453</u>	<u>266,435</u>	<u>50,982</u>
Expenditures				
Salaries & Benefits	81,068	84,012	82,688	(1,324)
Personnel Expense	3,600	3,600	2,224	(1,376)
Consultant/Contracted Svcs.	4,000	8,000	8,000	-
Communication	103,439	107,375	95,504	(11,871)
Supplies & Minor Equip.	3,000	3,000	2,902	(98)
Transportation	6,000	4,600	4,018	(582)
Other Expenditures	15,750	15,920	11,897	(4,023)
Capital Outlay	15,400	11,400	-	(11,400)
Total Expenditures	<u>232,257</u>	<u>237,907</u>	<u>207,233</u>	<u>(30,674)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(16,804)	(22,454)	59,202	81,656
Fund Balance - January 1, 2006	<u>16,804</u>	<u>31,804</u>	<u>36,714</u>	<u>4,910</u>
Fund Balance - December 31, 2006	<u>\$ -</u>	<u>\$ 9,350</u>	<u>\$ 95,916</u>	<u>\$ 86,566</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2006**

	Budget		2006	Variance
	Original	Final	Actual	Over (Under)
<b>JUDICIAL</b>				
Courtroom Improvement Project				
Revenues				
Interest	\$ -	\$ -	\$ 409	\$ 409
Total Revenues	-	-	409	409
Expenditures				
Supplies & Minor Equip.	15,000	2,390	791	(1,599)
Fixed Assets	-	12,610	12,609	(1)
Total Expenditures	15,000	15,000	13,400	(1,600)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(15,000)	(15,000)	(12,991)	2,009
Fund Balance - January 1, 2006	15,000	15,000	12,991	(2,009)
Fund Balance - December 31, 2006	\$ -	\$ -	\$ -	\$ -



**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL**

**CAPITAL PROJECTS FUND**

**For the Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<b><u>CAPITAL PROJECTS</u></b>				
<b>1996 Bond Fund</b>				
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	350	350	816	466
Miscellaneous	140,000	140,000	-	(140,000)
Total Revenues	<u>140,350</u>	<u>140,350</u>	<u>816</u>	<u>(139,534)</u>
Expenditures				
Fixed Assets	-	4,874	-	(4,874)
Infrastructure	-	-	-	-
Debt Payments	154,111	219,841	219,384	(457)
Other Expenditures	1,236	1,236	-	(1,236)
Total Expenditures	<u>155,347</u>	<u>225,951</u>	<u>219,384</u>	<u>(6,567)</u>
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	(14,997)	(85,601)	(218,567)	(132,966)
Other Financing Sources (Uses)				
Transfers to the General Fund	-	(635)	(634)	1
Total Financing Sources (Uses)	<u>-</u>	<u>(635)</u>	<u>(634)</u>	<u>1</u>
Fund Balance - January 1, 2006	<u>86,236</u>	<u>86,236</u>	<u>219,201</u>	<u>132,965</u>
Fund Balance - December 31, 2006	<u>\$ 71,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Beaver, Pennsylvania

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

For the Year Ended December 31, 2006

	Budget		2006	Variance
	Original	Final	Actual	Over (Under)
<b><u>CAPITAL PROJECTS</u></b>				
2005 Issues Bond				
Revenues				
Intergovernmental	\$ 232,000	\$ 232,000	\$ -	\$ (232,000)
Interest	18,000	18,000	41,807	23,807
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>41,807</u>	<u>(208,193)</u>
Expenditures				
County Match	178,100	178,100	162,319	(15,781)
Capital Outlay	615,000	827,359	501,175	(326,184)
Infrastructure	432,000	181,595	31,998	(149,597)
Other Expenses	23,796	23,796	-	(23,796)
Total Expenditures	<u>1,248,896</u>	<u>1,210,850</u>	<u>695,492</u>	<u>(515,358)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(998,896)	(960,850)	(653,685)	307,165
Fund Balance - January 1, 2006	<u>1,061,934</u>	<u>1,061,934</u>	<u>1,019,376</u>	<u>(42,558)</u>
Fund Balance - December 31, 2006	<u>\$ 63,038</u>	<u>\$ 101,084</u>	<u>\$ 365,691</u>	<u>\$ 264,607</u>

**County of Beaver, Pennsylvania**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2006**

	<u>Budget</u>		<u>2006</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<b><u>CAPITAL PROJECTS</u></b>				
<b>FAA Projects</b>				
Revenues				
Intergovernmental	\$ 901,898	\$ 901,898	\$ 788,958	\$ (112,940)
Interest	6	6	197	191
Total Revenues	<u>901,904</u>	<u>901,904</u>	<u>789,155</u>	<u>(112,749)</u>
Expenditures				
Communication	822	1,811	-	(1,811)
Capital Outlay	23,744	23,744	23,735	(9)
Infrastructure	871,688	895,572	767,364	(128,208)
Other Expenditures	24,873	-	-	-
Total Expenditures	<u>921,127</u>	<u>921,127</u>	<u>791,099</u>	<u>(130,028)</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	(19,223)	(19,223)	(1,943)	17,280
Other Financing Sources (Uses)				
Other Financing Uses	-	-	-	-
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(19,223)	(19,223)	(1,943)	17,280
Fund Balance - January 1, 2006	<u>19,223</u>	<u>19,223</u>	<u>9,082</u>	<u>(10,141)</u>
Fund Balance - December 31, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,138</u>	<u>\$ 7,138</u>

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**County of Beaver, Pennsylvania**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
December 31, 2006**

	<u>Medical Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 111,942	\$ 27,330	\$ 139,272
Receivables	202,737	65,698	268,434
Prepaid Expenses	38,613	-	38,613
Total current assets	<u>353,291</u>	<u>93,027</u>	<u>446,319</u>
<b>TOTAL ASSETS</b>	<u>\$ 353,291</u>	<u>\$ 93,027</u>	<u>\$ 446,319</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	\$ 230,749	\$ 95,536	\$ 326,285
Accrued Employee Benefits	551,167	712,231	1,263,398
Due to Other Funds	-	76,857	76,857
Total current liabilities	<u>781,916</u>	<u>884,624</u>	<u>1,666,540</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 781,916</u>	<u>\$ 884,624</u>	<u>\$ 1,666,540</u>
<b>NET ASSETS</b>			
Unrestricted	<u>(428,624)</u>	<u>(791,597)</u>	<u>(1,220,221)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ (428,624)</u>	<u>\$ (791,597)</u>	<u>\$ (1,220,221)</u>

**County of Beaver, Pennsylvania**

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS**

**For the Year Ended December 31, 2006**

	<u>Medical Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 7,646,641	\$ 1,160,993	\$ 8,807,634
<b>OPERATING EXPENSES</b>			
Costs of Services	7,648,658	1,214,163	8,862,821
Administrative	159,750	512,765	672,515
Total Operating Expenses	<u>7,808,407</u>	<u>1,726,928</u>	<u>9,535,336</u>
OPERATING INCOME (LOSS)	(161,766)	(565,936)	(727,702)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	<u>3,793</u>	<u>657</u>	<u>4,450</u>
Total Non-Operating Revenue (Expense)	<u>3,793</u>	<u>657</u>	<u>4,450</u>
Income (Loss) Before Transfers	(157,973)	(565,279)	(723,252)
Change in net assets	(157,973)	(565,279)	(723,252)
Total net assets - beginning	<u>(270,651)</u>	<u>(226,318)</u>	<u>(496,969)</u>
Total net assets - ending	<u>\$ (428,624)</u>	<u>\$ (791,597)</u>	<u>\$ (1,220,221)</u>

**County of Beaver, Pennsylvania**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2006**

	<u>Medical Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash receipts for services provided	\$ 7,405,292	\$ 1,237,407	\$ 8,642,699
Cash payments to suppliers	(7,658,519)	(1,453,782)	(9,112,301)
Net Cash Provided by Operating Activities	<u>(253,227)</u>	<u>(216,375)</u>	<u>(469,602)</u>
<b>Cash Flows from Investing Activities:</b>			
Investment income	<u>3,793</u>	<u>657</u>	<u>4,450</u>
Net Cash Provided by (Used in) Investing Activities	<u>3,793</u>	<u>657</u>	<u>4,450</u>
Net increase (decrease) in cash and cash equivalents	(249,434)	(215,718)	(465,152)
Cash and cash equivalents at beginning of year	361,376	243,048	604,424
Cash and cash equivalents at end of year	<u>\$ 111,942</u>	<u>\$ 27,330</u>	<u>\$ 139,272</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ (161,766)	\$ (565,936)	\$ (727,702)
Change in operating assets and liabilities:			
Accounts receivable and due from other funds	(202,737)	1,125	(201,612)
Prepaid expenses	(38,613)	75,289	36,676
Accounts payable and due to other funds	92,418	71,219	163,637
Accrued liabilities	57,471	201,928	259,399
Net Cash Provided by (Used In) Operating Activities	<u>\$ (253,227)</u>	<u>\$ (216,375)</u>	<u>\$ (469,602)</u>

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**County of Beaver, Pennsylvania.**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**For the Year Ended December 31, 2006**

	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2006</u>
<b>Clerk of Courts</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 316,716	2,194,741	2,236,592	\$ 274,865
	<u>316,716</u>	<u>2,194,741</u>	<u>2,236,592</u>	<u>274,865</u>
<b>LIABILITIES</b>				
Accounts Payable	316,204	2,174,635	2,236,079	254,760
Due to Other Funds	512	20,106	513	20,106
	<u>\$ 316,716</u>	<u>2,194,741</u>	<u>2,236,592</u>	<u>\$ 274,865</u>
 <b>Domestic Relations - Support Payments</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,078	464,534	469,314	\$ 16,299
	<u>21,078</u>	<u>464,534</u>	<u>469,314</u>	<u>16,299</u>
<b>LIABILITIES</b>				
Accounts Payable	21,078	464,534	469,314	16,299
	<u>\$ 21,078</u>	<u>464,534</u>	<u>469,314</u>	<u>\$ 16,299</u>
 <b>Other Escrow</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 340,142	189,733	246,290	\$ 283,585
Investments	265,577	15,097	-	280,674
Accounts Receivable	11,226	1,288	11,226	1,288
	<u>616,945</u>	<u>206,118</u>	<u>257,516</u>	<u>565,547</u>
<b>LIABILITIES</b>				
Accounts Payable	616,945	206,118	257,516	565,547
	<u>\$ 616,945</u>	<u>206,118</u>	<u>257,516</u>	<u>\$ 565,547</u>

**County of Beaver, Pennsylvania**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**For the Year Ended December 31, 2006**

	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2006</u>
<b>Recorder of Deeds</b>				
ASSETS				
Cash and cash equivalents	\$ 376,975	12,346,350	12,363,716	\$ 359,609
Accounts Receivable - State	4,465	(1,573)	-	2,892
	<u>381,440</u>	<u>12,344,777</u>	<u>12,363,716</u>	<u>362,501</u>
LIABILITIES				
Accounts Payable	374,306	12,338,333	12,356,582	356,057
Due to Other Funds	7,134	6,444	7,134	6,444
	<u>\$ 381,440</u>	<u>12,344,777</u>	<u>12,363,716</u>	<u>\$ 362,501</u>
<b>Register of Wills</b>				
ASSETS				
Cash and cash equivalents	\$ 90,914	6,352,579	6,304,512	\$ 138,980
Accounts Receivable - State	4,671	4,281	4,671	4,281
	<u>95,585</u>	<u>6,356,860</u>	<u>6,309,183</u>	<u>143,262</u>
LIABILITIES				
Accounts Payable	95,585	6,356,860	6,309,183	143,262
	<u>\$ 95,585</u>	<u>6,356,860</u>	<u>6,309,183</u>	<u>\$ 143,262</u>
<b>Sheriff</b>				
ASSETS				
Cash and cash equivalents	\$ 349,916	2,953,355	2,962,998	\$ 340,273
	<u>349,916</u>	<u>2,953,355</u>	<u>2,962,998</u>	<u>340,273</u>
LIABILITIES				
Accounts Payable	349,916	2,953,355	2,962,998	340,273
	<u>\$ 349,916</u>	<u>2,953,355</u>	<u>2,962,998</u>	<u>\$ 340,273</u>

**County of Beaver, Pennsylvania**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**For the Year Ended December 31, 2006**

	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2006</u>
<b>Tax Claims</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,894,918	11,550,344	10,978,806	\$ 2,466,456
	<u>1,894,918</u>	<u>11,550,344</u>	<u>10,978,806</u>	<u>2,466,456</u>
<b>LIABILITIES</b>				
Accounts Payable	1,894,918	11,550,344	10,978,806	2,466,456
	<u>\$ 1,894,918</u>	<u>11,550,344</u>	<u>10,978,806</u>	<u>\$ 2,466,456</u>
<b>Treasurer</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,763	282,736	278,007	\$ 29,493
	<u>24,763</u>	<u>282,736</u>	<u>278,007</u>	<u>29,493</u>
<b>LIABILITIES</b>				
Accounts Payable	24,763	282,736	278,007	29,493
	<u>\$ 24,763</u>	<u>282,736</u>	<u>278,007</u>	<u>\$ 29,493</u>
<b>Total - Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,415,422	36,334,373	35,840,236	\$ 3,909,559
Investments	265,577	15,097	-	280,674
Accounts Receivable	11,226	1,288	11,226	1,288
Accounts Receivable - State	9,136	2,708	4,671	7,173
	<u>3,701,361</u>	<u>36,353,467</u>	<u>35,856,133</u>	<u>4,198,695</u>
<b>LIABILITIES</b>				
Accounts Payable	3,693,715	36,326,916	35,848,486	4,172,145
Due to Other Funds	7,646	26,550	7,647	26,550
	<u>\$ 3,701,361</u>	<u>36,353,467</u>	<u>35,856,133</u>	<u>\$ 4,198,695</u>

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## STATISTICAL SECTION

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## Statistical Section

This part of the County of Beaver, Pennsylvania's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the county's financial position and well-being have changed over time.	S2-S9
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	S10-S15
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt.	S16-S21
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the county's financial activities take place.	S22-S25
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.	S26-S31

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**Note:** Changes to 2006 beginning net assets are not reflected in these schedules.

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County of Beaver, Pennsylvania  
Net Assets by Component  
Last Five Years  
(accrual basis of accounting)

	2006	2005	2004	2003	2002
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$9,179,985	(\$5,815,883)	\$3,333,611	\$1,137,967	\$3,203,947
Unrestricted	(12,886,891)	(2,991,638)	(6,127,682)	863,707	4,499,575
<i>Total Governmental Activities Net Assets</i>	<u>(3,706,906)</u>	<u>(8,807,521)</u>	<u>(2,794,071)</u>	<u>2,001,674</u>	<u>7,703,522</u>
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	9,146,273	9,230,260	8,564,335	8,882,470	8,273,789
Restricted	9,732,190	7,815,415	7,146,922	7,127,610	11,901,724
Unrestricted	6,990,875	4,453,838	3,994,352	5,890,931	10,981,605
<i>Total Business-type Activities Net Assets</i>	<u>25,869,338</u>	<u>21,499,513</u>	<u>19,705,609</u>	<u>21,901,011</u>	<u>31,157,118</u>
Primary government					
Invested in Capital Assets, Net of Related Debt	18,326,258	3,414,377	11,897,946	10,020,437	11,477,736
Restricted	9,732,190	7,815,415	7,146,922	7,127,610	11,901,724
Unrestricted	(5,896,016)	1,462,200	(2,133,330)	6,754,638	15,481,180
<i>Total Primary Government Net Assets</i>	<u>\$22,162,432</u>	<u>\$12,691,992</u>	<u>\$16,911,538</u>	<u>\$23,902,685</u>	<u>\$38,860,640</u>

County of Beaver, Pennsylvania  
Changes in Net Assets  
Last Five Years  
(accrual basis of accounting)

	2006	2005	2004	2003	2002
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Fees and Charges:					
General Government	\$7,247,343	\$6,501,784	\$6,747,064	\$6,458,387	\$6,007,415
Judicial	316,087	300,717	303,751	275,774	298,890
Public Safety	-	-	-	1,790	-
Public Works and Enterprises	670,536	754,864	776,312	648,922	610,169
Culture, Recreation, and Conservation	-	-	-	-	-
Human Services	774,607	1,276,100	1,274,498	1,394,925	1,196,109
Economic Development	429,784	-	-	-	-
Miscellaneous	1,168,842	1,741,876	2,443,662	1,681,590	1,827,143
Operating Grants and Contributions	76,456,596	76,832,424	74,330,497	70,375,916	63,124,529
Capital Grants and Contributions	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>87,063,795</b>	<b>87,407,765</b>	<b>85,875,784</b>	<b>80,837,304</b>	<b>73,064,255</b>
<b>Business-type Activities:</b>					
Fees and Charges:					
Friendship Ridge	49,249,600	48,574,177	45,586,326	41,044,373	39,690,062
Emergency Services	1,644,239	1,472,638	1,435,183	1,512,831	1,492,892
HealthChoices	22,040,751	19,945,731	16,769,458	10,742,058	10,583,092
Operating Grants and Contributions	1,660,497	963,108	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>74,595,087</b>	<b>70,955,654</b>	<b>63,790,967</b>	<b>53,299,262</b>	<b>51,766,046</b>
<b>Total Primary Government Program Revenues</b>	<b>161,658,882</b>	<b>158,363,419</b>	<b>149,666,751</b>	<b>134,136,566</b>	<b>124,830,301</b>
<b>Expenses</b>					
<b>Governmental Activities:</b>					
General Government	14,438,453	16,606,678	10,896,002	9,267,579	10,109,241
Judicial	13,530,585	13,030,383	12,972,500	13,136,088	12,259,262
Public Safety	13,925,640	12,851,354	12,186,450	13,236,526	11,840,973
Public Works and Enterprises	4,992,021	14,224,464	13,401,626	14,428,990	14,271,672
Culture, Recreation, and Conservation	2,981,813	2,905,154	3,040,058	3,536,393	3,349,113
Human Services	62,830,600	65,027,441	67,919,948	61,905,388	56,843,130
Economic Development	8,073,719	-	-	-	-
Miscellaneous	-	1,259,430	501,769	795,143	592,953
Interest Expense	4,454,056	4,537,621	3,951,019	3,845,322	3,922,308
<b>Total Governmental Activities Expenses</b>	<b>125,226,887</b>	<b>130,442,525</b>	<b>124,869,372</b>	<b>120,151,429</b>	<b>113,188,652</b>
<b>Business-Type Activities:</b>					
Friendship Ridge	48,981,202	48,687,662	47,414,926	45,550,629	41,598,201
Emergency Services	1,647,499	1,451,371	1,473,907	1,668,613	1,908,355
HealthChoices	20,652,039	18,781,499	16,835,814	15,595,080	11,432,082
Interest Expense	-	-	-	-	251,026
<b>Total Business-type Activities Expenses</b>	<b>71,280,740</b>	<b>68,920,532</b>	<b>65,724,647</b>	<b>62,814,322</b>	<b>55,189,664</b>
<b>Total Primary Government Expenses</b>	<b>\$196,507,627</b>	<b>\$199,363,057</b>	<b>\$190,594,019</b>	<b>\$182,965,751</b>	<b>\$168,378,316</b>

County of Beaver, Pennsylvania  
Changes in Net Assets (continued)  
Last Five Years  
(accrual basis of accounting)

	2006	2005	2004	2003	2002
Net (Expense)/Revenue					
Governmental Activities	(\$38,163,092)	(\$43,034,760)	(\$38,993,588)	(\$39,314,125)	(\$40,124,397)
Business-Type Activities	3,314,347	2,035,122	(1,933,680)	(9,515,060)	(3,423,618)
<i>Total Primary Government Net Expense</i>	<u>(\$34,848,745)</u>	<u>(\$40,999,638)</u>	<u>(\$40,927,268)</u>	<u>(\$48,829,185)</u>	<u>(\$43,548,015)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Real Estate Taxes	\$ 34,994,052	\$ 35,870,725	\$ 32,991,875	\$ 32,828,964	\$ 31,172,720
Investment Income (Loss)	(7,553,763)	1,180,297	829,642	987,180	1,344,331
Gain (Loss) on Sale of Capital Assets	(135,934)	333,590	(6,667)	(95,726)	700,010
Transfers	(336,607)	(363,301)	382,993	(108,140)	(121,747)
<i>Total Governmental Activities</i>	<u>26,967,748</u>	<u>37,021,311</u>	<u>34,197,843</u>	<u>33,612,278</u>	<u>33,095,314</u>
Business-Type Activities:					
Investment Earnings	675,349	317,265	110,890	145,763	340,188
Unrestricted Gifts	43,523	8,253	10,381	5,050	13,011
Transfers	336,607	363,301	(382,993)	108,140	121,747
<i>Total Business-Type Activities</i>	<u>1,055,479</u>	<u>688,819</u>	<u>(261,722)</u>	<u>258,953</u>	<u>474,946</u>
<i>Total Primary Government</i>	<u>28,023,227</u>	<u>37,710,130</u>	<u>33,936,121</u>	<u>33,871,231</u>	<u>33,570,260</u>
Change in Net Assets					
Governmental Activities	(11,195,344)	(6,013,449)	(4,795,745)	(5,701,847)	(7,029,083)
Business-Type Activities	4,369,827	2,723,941	(2,195,402)	(9,256,107)	(2,948,672)
<i>Total Primary Government Change in Net Assets</i>	<u>(\$6,825,517)</u>	<u>(\$3,289,508)</u>	<u>(\$6,991,147)</u>	<u>(\$14,957,954)</u>	<u>(\$9,977,755)</u>

Notes:

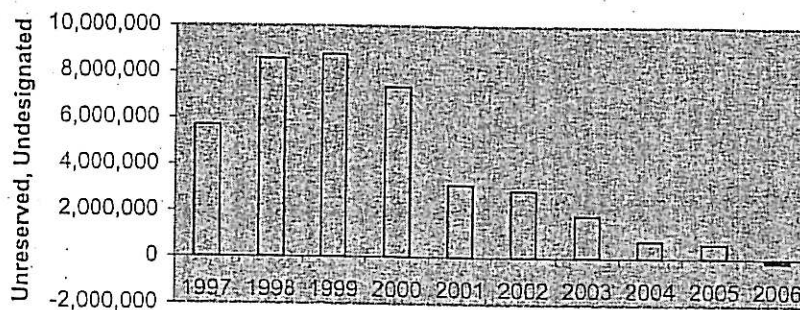
For all years prior to 2006, the County recorded Miscellaneous expense separately in its basic financial statements. For 2006, these amounts were allocated into their corresponding functions.

Additionally, in prior years, the Economic Development function fund was included in the Public Works function.

**County of Beaver, Pennsylvania**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**  
*(modified accrual basis of accounting)*

	2006	2005	2004	2003	2002
<b>General Fund</b>					
Unreserved, Designated	\$ -	\$41,231	\$17,605	\$191,216	\$112,070
Unreserved, Undesignated	(142,447)	622,378	746,179	1,830,759	2,899,572
<b>Total General Fund</b>	<b>(142,447)</b>	<b>663,609</b>	<b>763,784</b>	<b>2,021,975</b>	<b>3,011,642</b>
<b>All Other Governmental Funds</b>					
Unreserved, Designated	1,301,740	1,290,257	327,272	510,988	2,044,801
Unreserved, Reported in:					
Special Revenue funds	4,835,823	3,971,923	4,994,567	5,170,375	4,413,357
Capital Projects funds	372,830	1,236,854	1,560,857	4,108,710	8,408,756
<b>Total All Other Governmental Funds</b>	<b>6,510,393</b>	<b>6,499,034</b>	<b>6,882,696</b>	<b>9,790,073</b>	<b>14,866,914</b>
<b>Total Governmental Funds</b>	<b>\$6,367,946</b>	<b>\$7,162,643</b>	<b>\$7,646,480</b>	<b>\$11,812,048</b>	<b>\$17,878,556</b>

**Unreserved/Undesignated General Fund Balance:**  
**Last Ten Years**

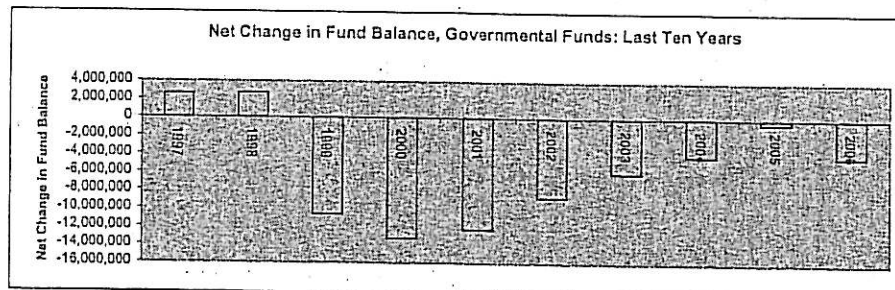


As of December 31

2001	2000	1999	1998	1997
\$225,831	\$205,455	\$458,788	\$623,783	\$189,481
3,126,153	7,363,383	8,772,703	8,571,414	5,715,145
3,351,984	7,568,838	9,231,491	9,195,197	5,904,626
5,512,979	14,831,737	32,544,677	4,666,159	926,260
7,605,297	8,728,193	8,603,217	6,201,175	4,464,207
8,488,543	10,076,444	10,124,753	51,065,027	57,107,709
21,606,819	33,636,374	51,272,647	61,932,361	62,498,176
\$24,958,803	\$41,205,212	\$60,504,138	\$71,127,558	\$68,402,802

**County of Beaver, Pennsylvania**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**  
*(modified accrual basis of accounting)*

	2006	2005	2004	2003	2002
<b>Revenues</b>					
Real Estate Taxes	\$35,752,456	\$35,317,573	\$32,890,800	\$32,798,112	\$31,715,029
Licenses and Permits	71,623	72,633	77,137	120,258	112,552
Interest and Rents	1,224,703	1,174,688	828,021	984,415	1,337,353
Intergovernmental	75,512,509	78,860,749	71,617,067	70,025,840	63,124,529
Charges for Services and Facilities	9,157,130	5,840,710	6,014,249	6,190,617	5,754,603
Local Hotel Room Tax	209,604	-	-	-	-
Project Income	-	2,920,122	3,010,237	2,558,023	2,245,428
Miscellaneous	1,168,842	1,875,861	2,443,662	1,681,517	1,827,143
<b>Total Revenues</b>	<b>123,096,867</b>	<b>126,062,336</b>	<b>116,881,173</b>	<b>114,358,782</b>	<b>106,116,637</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	13,374,579	18,249,926	9,420,239	9,026,172	8,765,584
Judicial	13,039,493	15,965,270	12,689,128	12,557,536	11,983,149
Public Safety	12,602,316	16,764,923	11,347,406	12,176,861	11,040,261
Public Works and Enterprises	3,500,517	14,218,880	12,675,793	13,666,279	13,566,984
Culture, Recreation and Conservation	2,686,344	3,230,307	2,803,330	3,250,341	3,098,146
Economic Development	8,000,366	-	-	-	-
Human Services	62,381,096	65,006,281	66,354,133	61,068,794	56,536,369
Miscellaneous (b)	-	1,259,430	501,769	795,143	592,953
Capital Outlay-Infrastructure	2,150,860	3,207,525	167,902	245,318	1,281,767
Capital Outlay-Asset Acquisition and Improvements	2,573,437	2,821,743	1,156,853	2,990,460	17,754,912
Refunding Bond Issuance Costs	309,351	-	-	-	-
<b>Debt service:</b>					
Principal	1,132,235	2,000,909	1,900,436	801,544	1,905,000
Interest	2,324,349	3,938,028	3,791,049	3,878,269	3,447,171
Bond Issuance Costs	-	-	-	92,282	-
<b>Total Expenditures</b>	<b>124,074,943</b>	<b>146,663,222</b>	<b>122,808,038</b>	<b>120,548,999</b>	<b>129,972,296</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(978,076)</b>	<b>(20,600,886)</b>	<b>(5,926,865)</b>	<b>(6,190,217)</b>	<b>(23,855,659)</b>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	-	700,000	-	-	710,005
Capital Leases	-	-	-	-	8,699,804
Payment to Refunded Bonds Escrow Agent	(8,678,280)	-	-	(5,132,414)	-
Proceeds from Basis Cap	-	-	1,378,305	-	-
Proceeds of Bonds	-	19,780,350	-	-	4,325,000
Issuance of Refunding Debt	9,050,000	-	-	5,375,000	-
Swaption Payment	-	-	-	-	1,511,500
Original Issue Discount	(62,369)	-	-	(10,737)	-
Transfers In	36,568	-	1,031,129	131,391	1,090,604
Transfers Out	(373,175)	(363,301)	(648,136)	(239,531)	(1,212,351)
<b>Total Other Financing Sources (Uses)</b>	<b>(27,256)</b>	<b>20,117,049</b>	<b>1,761,298</b>	<b>123,709</b>	<b>15,124,562</b>
<b>Net Change in Fund Balances</b>	<b>(\$1,005,332)</b>	<b>(\$483,837)</b>	<b>(\$4,165,567)</b>	<b>(\$6,066,508)</b>	<b>(\$8,731,097)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.1%</b>	<b>4.2%</b>	<b>4.7%</b>	<b>4.1%</b>	<b>4.8%</b>



2001	2000	1999	1998	1997
\$28,163,762	\$28,843,943	\$28,632,793	\$30,852,922	\$30,039,445
80,080	74,734	89,527	86,993	45,129
2,886,844	4,855,017	5,305,292	5,217,055	4,583,408
58,203,733	58,044,698	49,758,901	44,953,946	41,951,072
4,933,711	4,825,494	4,746,117	3,730,534	3,565,983
1,873,172	2,058,171	1,302,569	1,214,911	985,650
1,319,288	1,117,811	1,033,070	1,894,023	2,012,208
97,460,590	99,819,868	90,868,269	87,950,384	83,182,895
8,085,258	7,799,771	7,683,790	7,615,930	7,769,568
10,995,762	10,450,728	9,589,475	9,459,935	9,147,423
10,337,838	9,582,188	7,721,979	8,622,988	8,345,349
12,297,826	13,805,776	10,542,735	9,217,563	10,854,203
2,839,711	2,470,877	2,380,613	1,958,900	2,023,762
49,185,726	44,453,791	39,315,567	36,040,330	33,251,040
456,648	603,553	781,221	404,920	621,498
784,048	4,626,633	1,711,933	1,222,630	396,958
12,433,834	20,052,497	16,486,471	5,774,639	2,299,869
1,735,000	1,625,000	1,565,000	1,505,000	1,435,000
3,487,240	3,551,110	3,618,895	3,307,778	3,765,252
-	-	\$ -	\$ -	767,992
112,638,891	119,021,924	101,397,679	85,130,613	80,677,914
(15,178,301)	(19,202,056)	(10,529,410)	2,819,771	2,504,981
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(59,289,147)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	60,061,099
-	-	-	-	-
3,800	-	5,487	25,745	226,178
(104,285)	(96,870)	(99,497)	(120,760)	(860,115)
(100,485)	(96,870)	(94,010)	(95,015)	138,015
(\$15,278,786)	(\$19,298,926)	(\$10,623,420)	\$2,724,756	\$2,642,996
5.3%	5.5%	6.2%	6.2%	7.7%
(a)				

(a) - GASB Statement No. 33 was adopted creating a 2001 beginning Special Revenue Funds fund balance to be decreased by \$967,623 for a change in accounting principle.

(b) - GFOA FY2005 comment requested that miscellaneous expenditures be classified by function rather than by object. This request was implemented for the 2006 CAFR going forward. Prior year restatements were not made.

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**County of Beaver, Pennsylvania**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

Fiscal Year	Residential / Agricultural	Commercial / Industrial	Less Non Taxable	Total Taxable End of Year Actual Assessed Value	Total Taxable Actual Market Value	Common Level Ratio % (CLR)	Direct Tax Rate
2006	\$1,839,888,236	\$629,254,621	\$429,005,650	\$2,040,137,207	\$6,581,087,765	31.0	17.70
2005	1,814,757,767	621,869,891	429,291,421	2,007,336,237	6,233,963,469	32.2	17.70
2004	1,798,217,184	616,201,867	425,378,651	1,989,040,400	5,715,633,333	34.8	15.70
2003	N/A	N/A	N/A	2,070,855,533	5,985,131,598	34.6	15.70
2002	1,761,024,351	714,646,323	429,276,531	2,046,394,143	5,830,182,744	35.1	15.70
2001	N/A	N/A	N/A	2,028,251,318	5,541,670,268	36.6	13.70
2000	1,711,335,856	745,280,623	427,507,004	2,029,109,475	5,216,219,730	38.9	13.70
1999	1,702,278,173	737,656,388	555,313,189	1,884,621,372	4,869,822,667	38.7	15.00
1998	1,666,194,833	734,050,510	533,334,041	1,866,911,302	4,564,575,311	40.9	16.20
1997	N/A	N/A	N/A	1,844,607,919	4,423,520,189	41.7	16.20

Sources: Beaver County Assessment Office  
PA State Tax Equalization Board

Note: Beaver County has established an assessment ration of 50% at the last general reassessment conducted for the 1982 tax year. The Common Level Ratio (CLR) is the statistically calculated relationship between assessments and current market value, as certified by the State Tax Equalization Board pursuant to Act 267-1982.

N/A = Not Available

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**County of Beaver, Pennsylvania**

**Property Tax Rates - Direct and Overlapping Governments**

(Per \$1,000 of Assessed Valuation)

Last Ten Collection Years

	Year Taxes are Payable									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>County Direct Rate</b>										
Property Tax	17.70	17.70	15.70	15.70	15.70	13.70	13.70	15.00	16.20	16.20
<b>Municipal Rates</b>										
City of Aliquippa (1)	L 78.80 B 11.50 32.00	L 78.80 B 11.50 30.00	L 77.50 B 11.50 30.00	L 77.50 B 11.50 28.00	L 77.00 B 9.00 28.00	L 77.00 B 9.00 24.00	L 79.00 B 7.00 24.00	L 79.00 B 7.00 24.00	L 79.00 B 7.00 24.00	L 79.00 B 7.00 24.00
City of Beaver Falls (1)	5.00-22.38 1.00-34.50	5.00-22.38 1.00-32.50	3.00-22.38 1.00-30.50	3.00-20.38 1.00-28.50	3.00-20.38 1.00-28.50	3.00-18.28 1.00-28.50	2.50-18.28 1.00-28.50	2.50-18.28 3.931-29.00	2.50-18.28 3.931-30.00	2.50-18.28 3.931-29.00
Boroughs (2)										
<b>School District Rates</b>										
City of Aliquippa (1)	L 173.00 B 28.00 59.00	L 169.00 B 24.00 56.00	L 165.00 B 20.00 56.00	L 165.00 B 20.00 54.00	L 165.00 B 20.00 52.00	L 165.00 B 20.00 52.00	L 165.00 B 20.00 49.00	L 165.00 B 20.00 48.00	L 165.00 B 20.00 48.00	L 162.00 B 17.00 46.00
City of Beaver Falls (1)	39.00-66.00 28.00-59.00	37.00-66.00 28.00-59.00	34.00-61.00 28.00-56.00	36.00-57.00 34.00-54.00	36.00-56.00 33.00-52.00	36.00-56.00 33.00-52.00	36.00-53.00 35.00-49.50	36.00-50.00 35.00-48.00	36.00-50.00 35.00-48.00	36.00-48.00 33.00-46.00
Townships										
Boroughs (2)										

Source: Beaver County Assessment Office

(1) Cities are individually listed because the City of Aliquippa is the only municipality within the School District and both the City and School District apply a separate tax rate to land value as opposed to building value.

(2) A portion of Ellwood City Borough is annexed to Beaver County from Lawrence County for County Tax Rate purposes only.

County of Beaver, Pennsylvania  
Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	January 1, 2006	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
First Energy (Bruce Mansfield, BV2, Various)	\$132,963,743	6.52%
PR Beaver Valley LP - Beaver Valley Mall	27,882,500	1.37
United States Gypsum	15,313,050	0.75
Horsehead Industries	13,426,600	0.66
JDN Realty - Lowes, Shop N Save, Texas Roadhouse	11,800,400	0.58
THF Monaca, LP - WalMart	9,976,400	0.49
Nova Chemicals	9,600,000	0.47
Koppel Steel (Ambridge and Koppel)	9,488,000	0.47
Jewel Acquisition and July Products (J&L Specialty Steel)	8,805,750	0.43
NGC Gypsum Plant - Shippingport	8,594,300	0.42
	<u>\$247,850,743</u>	<u>12.15%</u>
Total Assessed Valuation	<u>\$2,040,137,232</u>	

Taxpayer	January 1, 1997	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Duquesne Light Co.	\$64,350,000	3.49%
West Penn Power	54,912,100	2.98
Pittsburgh National Bank, Trustee for Beaver Valley Mall	23,812,200	1.29
ARCO Chemical	14,879,900	0.81
Horsehead Industries	12,661,900	0.69
J&L Specialty Steel	10,704,500	0.58
PA Northern Lights Shopping Center	10,378,700	0.56
Koppel Steel (Ambridge and Koppel)	9,496,500	0.51
New Sewickley Partners c/o Kraft General Foods	8,557,600	0.46
RAK Enterprises (Chippewa K-Mart, Builders Square and Taco Bell)	8,352,200	0.45
	<u>\$218,105,600</u>	<u>11.82%</u>
Total Assessed Valuation	<u>\$1,844,607,919</u>	

Source: Beaver County Board of Property Assessment

**County of Beaver, Pennsylvania**  
**Property Tax Levies And Collections**  
**Last Ten Years**

Fiscal Year Ended December 31,	Total Property Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Lien Tax Collections	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$36,110,429	\$32,601,955	90.28 %	\$3,632,672	\$36,234,627	100.34 %
2005	35,529,851	32,183,528	90.58	3,134,045	35,317,573	99.40
2004	32,699,401	29,615,181	90.57	3,275,619	32,890,800	100.59
2003	32,699,401	29,549,369	90.37	3,248,743	32,798,112	100.30
2002	32,122,516	28,870,520	89.88	2,844,509	31,715,029	98.73
2001	27,787,043	25,077,723	90.25	3,086,040	28,163,763	101.36
2000	27,798,799	25,477,666	91.65	3,366,277	28,843,943	103.76
1999	28,248,871	25,365,530	89.79	3,267,263	28,632,793	101.36
1998	30,199,670	27,101,142	89.74	3,751,780	30,852,922	102.16
1997	29,838,358	26,681,914	89.42	3,357,531	30,039,445	100.67

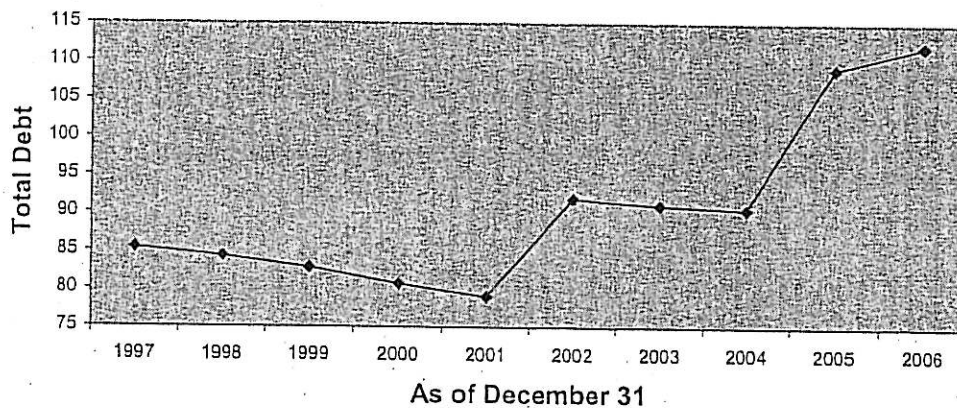
Source: Beaver County Board of Property Assessment

Note: Total tax levy is based on assessment roll certification and all revisions through December 31. Current tax collections are those taxes (discount, face and penalty) collected thru December 31. Delinquent and lien taxes are the summation of current taxes collected from January 1 thru February 15 of the subsequent year plus those collections made by the Tax Claim Bureau through December 31 of the current year. Collections made by the Tax Claim Bureau include principal, penalty, interest, commissions, costs, interest on savings and rollback interest. The Tax Claim Bureau does not identify liented tax collections by the year for which the tax was levied.

**County of Beaver, Pennsylvania**  
**Ratio of Outstanding Debt to**  
**Total Personal Income and Debt Per Capita**  
**Last Ten Years**

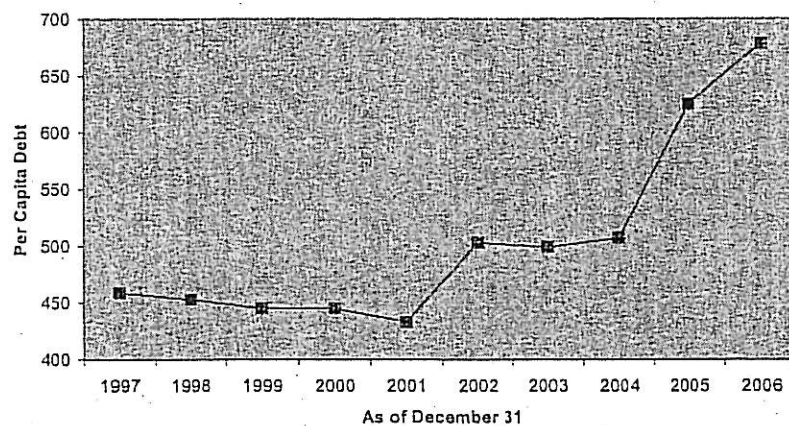
Governmental Activities					
Year	General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations to Employees and former Employees	Obligations under Derivatives
2006	65,906,708	25,703,830	8,004,767	888,377	11,654,416
2005	70,022,446	20,790,000	8,246,796	824,709	2,871,500
2004	68,713,457	4,030,000	8,402,497	1,030,837	2,871,500
2003	70,463,893	4,180,000	8,539,190	361,022	1,511,500
2002	70,876,859	4,325,000	8,699,804	1,400,000	1,511,500
2001	72,359,699	-	-	1,200,000	-
2000	73,641,522	-	-	1,200,000	-
1999	74,831,664	-	-	1,800,000	-
1998	75,994,046	-	-	1,800,000	-
1997	77,126,277	-	-	1,800,000	-

**Total Debt: Last Ten Years (millions)**



Business-type Activities						
General Obligation Bonds	Other General Long-term Liabilities	Capital Lease Obligations	Obligations to Employees and former Employees	Total Debt	Percentage of Personal Income	Per Capita
4,303,664	290,000	149,500	178,000	117,079,262	3.68%	677
4,982,040	-	147,213	307,170	108,191,874	3.40%	625
5,505,416	-	-	-	90,553,707	2.76%	507
6,018,792	-	-	-	91,074,397	2.71%	499
4,988,540	-	173,755	-	91,975,458	2.74%	503
5,540,000	-	-	-	79,099,699	2.35%	433
5,905,000	-	-	-	80,746,522	2.42%	445
6,250,000	-	-	-	82,881,664	1.89%	445
6,525,000	-	-	-	84,319,046	2.02%	453
6,480,000	-	-	-	85,406,277	2.13%	459

Per Capita Debt: Last Ten Years



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**County of Beaver, Pennsylvania**  
**Ratio of Net Obligation Bonded Debt to Assessed**  
**Value and Net Bonded Debt Per Capita**  
**Last Ten Years**

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2006	173,005	\$6,581,087,765	\$70,210,372	1.07%	406
2005	173,005	6,233,963,469	75,004,486	1.20%	434
2004	178,601	5,715,633,333	74,218,873	1.30%	416
2003	182,687	5,985,131,598	76,482,685	1.28%	419
2002	182,687	5,830,182,744	75,865,399	1.30%	415
2001	182,687	5,541,670,268	77,899,699	1.41%	426
2000	181,412	5,216,219,730	79,546,522	1.52%	438
1999	186,093	4,869,822,667	81,081,664	1.66%	436
1998	186,093	4,564,575,311	82,519,046	1.81%	443
1997	186,093	4,423,520,189	83,606,277	1.89%	449

County of Beaver, Pennsylvania  
Legal Debt Margin  
Last Ten Years

	2006	2005	2004
Legal Debt Margin			
Non-electoral Debt	\$480,755,583	\$66,250,622	\$66,596,078
Non-electoral Debt plus Lease Rental Debt	699,050,930	99,567,069	91,842,060

*Limitations on incurring of other debt:*

A county shall not incur any new non-electoral debt if the aggregate net principal amount of the new non-electoral debt, together with all other net non-electoral debt outstanding, would cause the total non-electoral debt of the county to exceed 300% of its borrowing base. Also, the total non-electoral debt plus lease rental debt shall not exceed 400% of a county's borrowing base.

*Borrowing base:*

The annual arithmetic average of the total revenues for the last full three fiscal years ended, as executed by the authorized officials of the county or by an independent accountant. Certain revenues, such as reimbursements from the Commonwealth or the federal government for repayments of non-electoral debt and investment income in bond sinking funds set aside for the payment of debt, shall be excluded from the determination of the borrowing base:

*Debt:*

Debt is the amount of all obligations for the payment of money incurred by a county except for: current obligations for the full payment of which current revenues have been appropriated, obligations under contracts allocable to current operating expenses of future years, rentals or payments payable in future years under leases or other forms of agreements (except for capital leases), interest or taxes on bonds or notes which are not overdue, and obligations incurred under a qualified interest rate management agreement.

*Figures used in the current year calculation of legal debt margin:*

Non-electoral debt:	85,101,249
Lease rental debt:	20,323,597
Borrowing base:	188,618,944

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

2003	2002	2001	2000	1999	1998	1997
\$55,777,710	\$49,572,460	\$44,639,738	\$58,825,932	\$52,121,678	\$39,539,091	\$26,297,179
80,786,207	83,953,187	85,486,217	103,465,083	95,037,792	78,480,137	60,284,797

*Non-electoral debt:*

All debt of a county except for that specifically incurred with the assent of the electors and the guarantee of the debt of other entities (see "lease rental debt").

*Lease rental debt:*

The principal amount of authority bonds or notes or bonds or notes of another local government unit to be repaid from payments of the local government unit made pursuant to leases, guarantees, subsidy contracts or other forms of agreement which evidence the acquisition of capital assets (not including any debt which has been approved by the electors).

*Legal debt margin:*

The amount available for a local government to incur new non-electoral debt or new lease rental debt.

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County of Beaver, Pennsylvania  
Principal Employers  
Current Year and Nine Years Prior

2006			
Employer	Employees	Percentage of Total County Employment	
Valley Medical Facilities Inc	n/a	n/a	%
Beaver County Government	n/a	n/a	
FirstEnergy Nuclear Operating	n/a	n/a	
Wal-Mart Associates Inc	n/a	n/a	
Koppel Steel Corp Sub N S Group Inc	n/a	n/a	
Passavant Memorial Homes	n/a	n/a	
Service Link LP	n/a	n/a	
Michael Baker Jr Inc	n/a	n/a	
First Energy Generation Corp.	n/a	n/a	
Horsehead Corp. (formerly Zinc Corp)	n/a	n/a	
Total	n/a	n/a	%
Total County Employees	n/a		

1997			
Employer	Employees	Percentage of Total County Employment	
The Medical Center, Beaver	2,383	n/a	%
Duquesne Light Co.	1,364	n/a	
Beaver County Government	832	n/a	
Zinc Corp of America	740	n/a	
Conrail Rail Yard	740	n/a	
State Government Ambridge	735	n/a	
Koppel Steel Corp.	715	n/a	
Beaver Valley Geriatric Center	715	n/a	
Anchor Hocking Specialty Glass Co.	650	n/a	
Cutler-Hammer, Inc.	650	n/a	
Total	9,524	n/a	%
Total County Employees	n/a		

(1) Source: Beaver County Times Progress Report published every February.

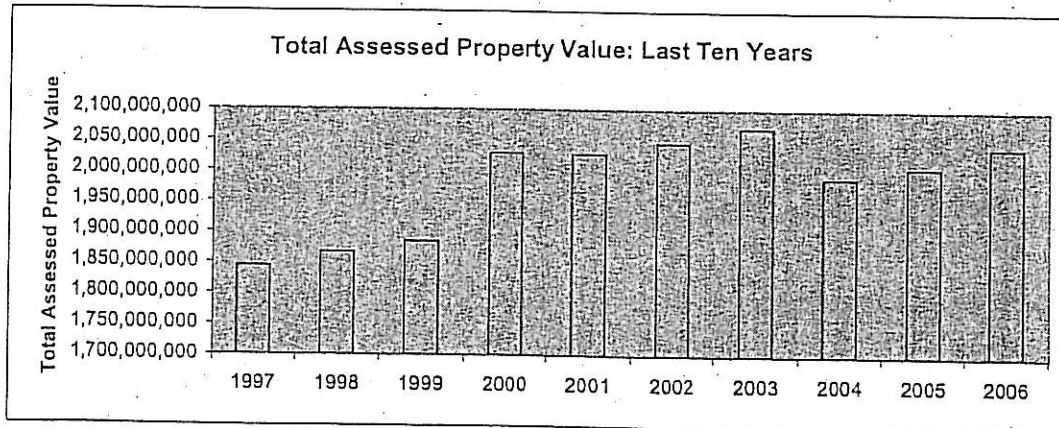
n/a: Information not available

**County of Beaver, Pennsylvania**  
**Demographic and Economic Statistics**  
**Last Ten Years**

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	Median Age	Percent with Educational Attainment: Bachelor's Degree or higher
2006	173,005 (1)	\$ 3,183,638,010	\$ 18,402 (3)	\$ 36,995 (6)	40.7 (3)	15.8 (3)
2005	173,005 (1)	3,183,638,010	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)
2004	178,601 (2)	3,286,615,602	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)
2003	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)
2002	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)
2001	182,687 (2)	3,361,806,174	18,402 (3)	36,995 (6)	40.7 (3)	15.8 (3)
2000	181,412 (3)	3,338,343,624	18,402 (3) \$24	36,995 (6)	40.7 (3)	15.8 (3)
1999	186,093 (4)	4,383,606,708	23,556 (7)	24,276 (4)	N/A	17.9 (4)
1998	186,093 (4)	4,173,135,525	22,425 (7)	24,276 (4)	N/A	17.9 (4)
1997	186,093 (4)	4,017,189,591	21,587 (7)	24,276 (4)	N/A	17.9 (4)

**Sources:**

- (1) PA State Data Center "Population Projections, PA Counties"
  - (2) PA State Data Center
  - (3) U.S. Census Bureau, Census 2000
  - (4) U.S. Census Bureau, Census 1990
  - (5) Pennsylvania Department of Labor and Industry
  - (6) U.S. Bureau of the Census, Census 2000 "Profile of Selected Economic Characteristics: 2000"
  - (7) U.S. Department of Commerce, Bureau of Economic Analysis
- N/A - Information not available



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School Enrollment		Unemployment Rate (5)	Total Assessed Property Value
41,572	(3)	4.1 %	\$2,040,137,207
41,572	(3)	4.7	2,007,336,237
41,572	(3)	5.3	1,989,040,400
41,572	(3)	5.8	2,070,855,533
41,572	(3)	6.4	2,046,394,143
41,572	(3)	5.1	2,028,251,318
41,572	(3)	4.3	2,029,109,475
42,110	(4)	4.8	1,884,621,372
42,110	(4)	5.3	1,866,911,302
42,110	(4)	5.1	1,844,607,919

County of Beaver, Pennsylvania  
Full-Time Equivalent County Government Employees by Function/Program  
Last Ten Years

Function/program	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>General Government:</b>										
Commissioners	8.0	8.0	8.0	8.0	8.0	8.5	7.5	7.0	7.0	8.0
Controller	14.5	14.5	12.5	14.5	14.5	14.5	13.5	14.5	14.5	14.5
Treasurer	11.5	11.5	13.0	16.5	15.0	14.5	14.5	16.0	15.5	16.5
Recorder of Deeds	11.5	11.5	13.5	13.5	14.0	14.0	13.5	12.5	12.5	13.0
Solicitor	3.0	3.5	3.0	3.0	3.5	3.0	3.5	3.0	4.0	3.5
Information Technology	10.0	11.0	12.0	14.5	14.5	14.5	13.0	13.0	13.0	0.0
Planning Commission	6.0	6.0	7.0	9.0	6.5	8.0	7.0	8.0	7.0	7.0
Weights and Measures	1.0	1.0	1.0	1.5	1.5	1.5	1.0	1.5	1.0	1.0
Veterans Affairs	4.0	4.0	4.0	4.0	4.5	3.0	4.0	4.0	4.0	4.0
Election Bureau	6.5	7.5	9.5	9.5	8.5	9.5	9.5	10.0	8.0	11.0
Assessment/Tax Claim	24.0	25.0	24.0	28.5	27.5	27.5	27.5	27.5	26.5	29.5
Public Defender	16.5	16.0	16.0	16.5	16.0	16.0	15.5	15.0	14.0	14.0
Employee Relations	3.5	3.5	4.0	3.0	4.0	4.0	3.5	4.0	4.0	3.0
Mailroom	1.0	1.0	1.0	1.0	1.5	1.5	1.0	1.0	1.0	1.0
Microfilm	5.0	5.0	5.5	5.0	5.0	5.0	5.0	5.0	4.0	3.5
Central Telephone	2.0	2.0	1.5	1.5	2.5	1.5	1.5	2.0	2.0	1.5
Purchasing	2.5	3.0	3.0	4.0	3.5	3.5	3.0	3.0	3.0	3.0
Engineering	0.0	0.0	0.0	0.0	2.0	3.5	3.5	4.5	5.0	5.0
Parking Garage/Bus Drivers	0.0	0.0	0.0	0.0	1.5	1.5	1.5	0.0	0.0	0.0
<b>Judicial:</b>										
Clerk of Courts	13.5	12.5	14.0	14.5	14.0	14.0	14.0	14.0	13.0	13.5
Coroner	4.0	4.0	4.0	4.5	4.5	4.0	4.0	4.5	4.5	4.5
Jury Commission	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.0	2.0	2.5
District Attorney	24.0	24.0	24.5	24.0	25.5	25.0	24.5	22.5	23.5	23.5
Prothonotary	13.0	14.0	15.5	17.0	17.5	16.5	17.0	14.5	14.5	15.5
Register of Wills	6.5	6.5	6.5	7.5	8.0	8.0	8.5	8.0	8.0	8.0
Sheriff	39.0	38.5	38.0	43.5	43.5	42.0	37.0	37.0	40.5	45.0
Court Administration	43.5	39.5	41.5	42.5	39.5	43.0	42.5	45.5	41.0	36.5
Law Library	1.5	1.5	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Stop Grant	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Domestic Relations	35.0	36.0	35.5	37.5	36.5	32.5	33.5	33.5	33.0	33.5
District Courts (Nine)	31.0	31.0	30.0	32.0	31.0	31.0	31.0	31.0	31.0	31.0
Rights & Services/Victims of Crime	4.0	4.0	4.0	4.0	4.0	4.0	4.5	3.5	2.5	2.5
Drug Investigation	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
<b>Public Safety:</b>										
Emergency Services	41.0	41.0	39.0	41.0	41.5	36.5	36.0	37.0	34.0	31.0
Jail	88.0	92.5	101.0	100.0	97.0	89.5	90.5	65.0	62.0	62.0
Allencrest Detention Center	32.5	32.5	31.5	39.0	37.5	40.5	36.5	36.5	36.5	33.0
Adult Probation/Intermediate Punishment	31.5	31.0	30.0	34.0	34.0	34.0	34.0	34.0	29.0	34.0
Juvenile Services	26.0	26.5	26.5	26.0	26.5	26.0	24.0	24.0	21.0	20.5
<b>Public Works &amp; Enterprise:</b>										
Liquid Fuels	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Department of Public Works	32.0	32.0	35.0	45.0	46.0	44.5	43.5	44.5	40.0	42.0
Airport	3.0	3.0	4.0	7.5	6.0	6.0	5.5	6.0	6.0	5.5
Community Development	8.0	8.0	8.0	9.0	8.0	8.0	7.5	7.5	7.5	8.0
<b>Culture, Recreation and Conservation:</b>										
Parks/Recreation/Tourist	11.5	12.5	15.0	16.5	16.5	16.5	15.0	12.5	11.5	13.5
Library Commission	12.5	12.0	12.5	15.0	15.0	14.0	13.5	10.5	10.0	10.5
Waste Management	4.0	4.5	5.0	5.5	5.5	5.5	5.0	5.5	5.0	5.0
Conservation	0.0	0.0	0.0	7.0	6.0	6.0	5.0	5.0	5.5	5.5
<b>Human Services:</b>										
Office on Aging	40.0	39.0	39.5	39.5	38.5	35.5	31.5	28.5	30.5	27.0
Children & Youth	69.5	71.5	71.5	70.5	70.5	66.5	62.5	58.0	56.0	51.0
MH/MR - Drug & Alcohol - Health Choices	80.0	81.0	78.0	81.0	81.0	78.0	73.0	70.0	65.0	57.0
Childcare Choices	12.0	12.0	14.0	14.0	14.5	13.0	12.0	8.0	6.0	4.0
<b>Economic Development:</b>										
Environmental Protection	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.0	0.0	0.0
<b>Totals:</b>	<u>845.5</u>	<u>855.0</u>	<u>874.0</u>	<u>943.5</u>	<u>935.0</u>	<u>907.0</u>	<u>872.5</u>	<u>829.0</u>	<u>794.0</u>	<u>772.5</u>

Source: Beaver County Payroll Department

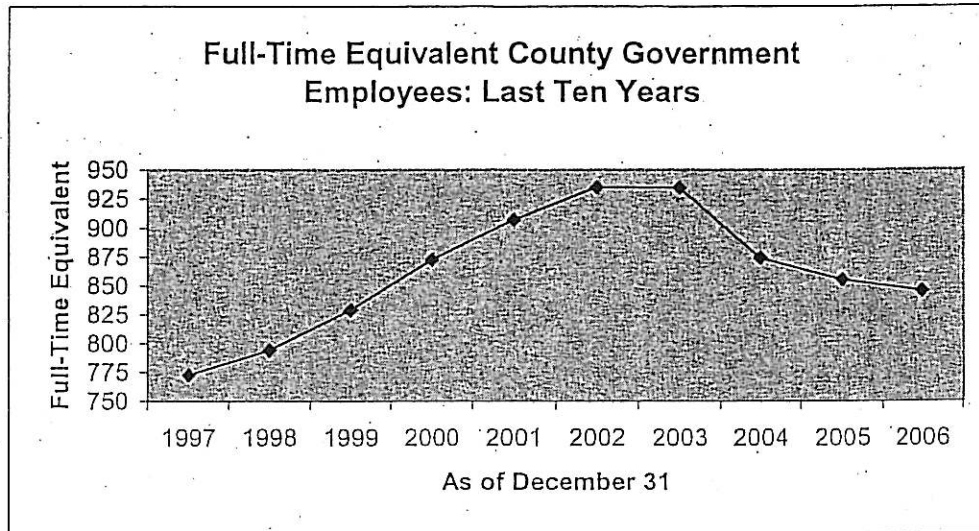
Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.

Count taken at December 31.

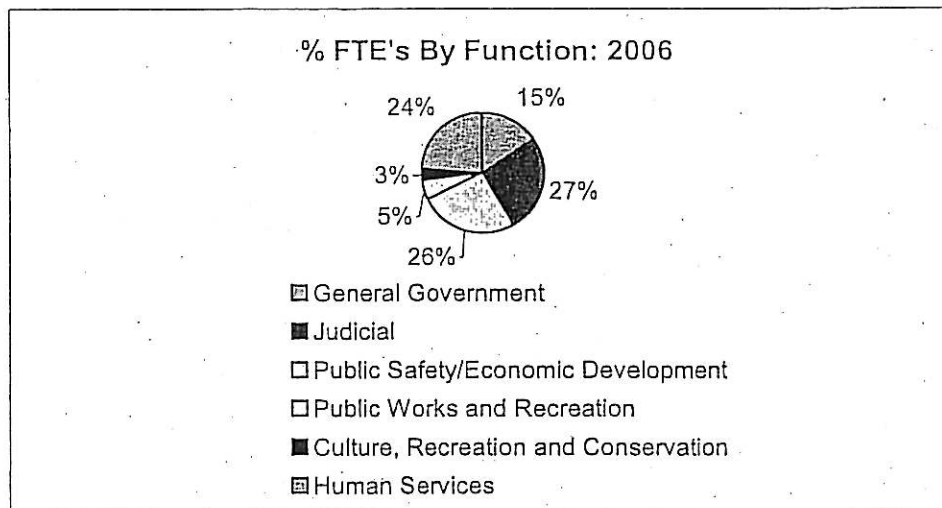


**County of Beaver, Pennsylvania**  
**Full-Time Equivalent County Government Employees Graphs / Charts**  
**Last Ten Years**

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The FTE reductions in 2004 and 2005 were results of extensive early retirement packages offered as well as some County layoffs.



The following represents the % change in FTE between 1997 and 2006:

General Government decreased 3%.

Judicial decreased 3%.

Public Safety / Economic Development increased 3%.

Public Works and Recreation decreased 2%.

Culture, Recreation and Conservation decreased 1%.

Human Services increased 6%.

County of Beaver, Pennsylvania  
Operating Indicators by Function/Program  
Last Ten Years

Function/program	2006	2005	2004	2003
<b>General Government (1)</b>				
Number of Registered Voters	113,612	112,001	122,351	115,788
Number of Votes Cast in Last General Election	65,606	37,998	86,609	32,394
Percentage of Registered Voters Voting in Last General Election	57.74	33.93	70.79	27.98
<b>Judicial (2)</b>				
Year-to-date Filings	34,337	34,407	35,003	36,099
Traffic Citations	20,465	20,417	20,615	21,506
Summary/Non Traffic	6,529	6,684	7,273	7,689
Civil Complaints	3,369	3,150	2,962	2,788
Misdemeanor/Felony Citations	3,974	4,156	4,153	4,116
Criminal Filings	3,667	3,574	3,099	2,905
Civil Filings	943	740	739	687
Orphans Court	306	299	397	343
Custody Filings	562	558	574	536
PFA	500	468	463	485
Divorce	517	538	553	580
<b>Public Service (3)</b>				
Recycling - Stainless Steel	199,187	198,756	99	72
Recycling - Ferrous	34,916	15,393	27,016	21,669
Recycling - White Goods	26,893	8,450	12,684	10,450
Recycling - Other Materials	336,165	297,590	115,630	109,925
Wood Waste Removed (Tons)	1,876	541	242	457
Yard Waste Removed (Tons)	4,477	4,018	2,701	2,894

(1) Beaver County Elections

(2) Beaver County Court Administration

Sources: (3) Beaver County Liquid Fuels Department

(4) Beaver County Department of Waste Management

n/a: Information not available

2002	2001	2000	1999	1998	1997
105,451	115,325	116,515	112,619	111,630	105,964
55,434	40,170	78,906	42,409	54,794	75,305
52.57	34.83	67.70	37.66	49.08	71.06
38,905	39,187	38,756	n/a	n/a	n/a
24,269	23,273	24,095	n/a	n/a	n/a
7,676	9,074	8,172	n/a	n/a	n/a
2,678	3,008	2,763	n/a	n/a	n/a
4,282	3,832	3,726	n/a	n/a	n/a
2,888	2,606	2,408	2,559	2,197	2,229
706	652	746	673	628	682
399	376	314	261	315	267
442	406	408	408	440	371
501	582	674	631	605	600
575	616	650	591	736	601
173	249	16	13	21	-
20,744	23,100	164	1,441	1,884	-
9,410	8,673	9,595	10,500	9,035	-
113,648	115,633	92,486	17,077	15,911	1,839
303	68	303	10	-	218
3,203	4,287	3,203	2,213	2,148	1,861

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County of Beaver, Pennsylvania  
Capital Asset Statistics by Function/Program  
Last Ten Years

Function/program	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>General Government</b>										
Square Footage Occupied (1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Engineering Vehicles (2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Inspection Vehicles (2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Departmental Vehicles (2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Police</b>										
Stations	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Square Footage of Building (3)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vehicles (2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Fire stations</b>										
Stations	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vehicles (2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other public works</b>										
Streets (miles)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Number of Streetlights (per light bill)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Public Service Vehicles (5)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Recreation</b>										
Number of Parks	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Recreation Centers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Recreation Center Square Footage	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vehicles (2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Senior/Community Services</b>										
Vehicles (4)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Wastewater</b>										
Sanitary sewers (miles)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Sources:**

Accurate information regarding the above schedule was not available at the date of publication.

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